

## COVER SHEET

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S. E. C. Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. Street City/Tow n/province)

IAN JASON R. AGUIRRE  
Contact Person

Contact Person

1	2		3	1
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Month Day

Fiscal Year

Definitive 20-IS

FORM TYPE

\_\_\_\_\_

Secondary License Type, If Applicable

8662-8888

8662-8888

Company's Telephone Number

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Month

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Day

Annual Meeting

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Dept. Requiring this Doc.

\_\_\_\_\_

Amended Articles Number/Section

\_\_\_\_\_

Total Number of Stockholders

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

LCU

[illegible]

Cashier

## STAMPS

STAMPS



## Notice of Annual Stockholders' Meeting

June 28, 2024 | 11:00 a.m.

### TO: ALL STOCKHOLDERS:

Please take notice that the Annual Stockholders' Meeting of **APC Group, Inc.** will be held on **June 28, 2024**, Friday at 11:00 a.m. The meeting will be conducted virtually, and voting will be conducted *in absentia* through the Company's secure online voting facility.

### AGENDA

1. Call to Order
2. Proof of Notice of Meeting and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on June 22, 2023
4. Approval of 2023 Operations and Results
5. Ratification of All Acts of the Board of Directors, Board Committees, and Management during their term of office
6. Election of Directors for 2024-2025
7. Appointment of External Auditors
8. Other Matters
9. Adjournment

Attached is the rationale for the above agenda items for reference.

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on May 31, 2024 as the Record Date for the determination of stockholders entitled to the notice of, participation via remote communication, and voting *in absentia* at such meeting and any adjournment thereof.

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by emailing [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com) and submitting the required documents until June 25, 2024. All information submitted shall be verified and validated by the Corporate Secretary.

Stockholders who wish to cast votes through a proxy may accomplish the proxy form (*which need not be notarized*) and submit the same to the Office of the Corporate Secretary at the 23<sup>rd</sup> Floor, Philippine Stock Exchange Centre, East Tower Exchange Road, Ortigas Center, Pasig City or via electronic copy by emailing [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com) on or before 5:00 pm of June 25, 2024. For corporate stockholders, the proxies should be accompanied by a Secretary's Certificate on the appointment of the corporation's authorized signatory.

Stockholders who successfully validated/registered can cast their votes *in absentia* through the Company's secured e-mail for this meeting. In order to participate remotely, they will also be provided with access to the meeting that will be held virtually. The "Guidelines for Participation via Remote Communication and Voting in Absentia" as appended to the Definitive Information Statement labeled as "Schedule A" together with the Information Statement, Annual Report on SEC Form 17-A (once available) and other pertinent materials for the Annual Stockholders' Meeting are posted in the Company's website (<https://www.apcaragorn.net/investor-relations/annual-stockholders-meeting/>) and PSE Edge.

City of Pasig, May 21, 2024.

**RICHARD ANTHONY D. ALCAZAR**  
Corporate Secretary

## RATIONALE FOR AGENDA ITEMS

1. **Call to Order.** The Chairman of the Board of Directors, Mr. Willy N. Ocier, will call the meeting to order.
2. **Certification of Notice and Quorum.** The Corporate Secretary, Atty. Richard Anthony D. Alcazar will certify that copies of this Notice were sent to Stockholders of record as of May 31, 2024. The Corporate Secretary will also certify the number of attendees, whether in person or by proxy, for the purpose of determining the existence of quorum to validly transact business.
3. **Approval of the Minutes of the Annual Meeting of Stockholders held on June 22, 2023.** The Minutes of the June 22, 2023 Annual Stockholders' Meeting (ASM) are available on the Company's website: <https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf>. Copies of the minutes of the annual stockholders' meeting held on June 22, 2023 are available for inspection during office hours at the office of the Corporate Secretary. The results of last year's annual stockholders' meeting were also timely disclosed with the Philippine Stock Exchange, Inc. and the Securities and Exchange Commission (SEC). The minutes, as recommended by the Board of Directors, are subject to stockholders' approval during this year's stockholders' meeting.
4. **Approval of 2023 Operations and Results.** The Company's 2023 performance results have been summarized in the Annual Report, which includes the Audited Financial Statements (AFS) of the Company for the year ended December 31, 2023. The AFS, as audited by the external auditor which expressed an unqualified opinion therefor, have been reviewed and approved by the Audit Committee and the Board of Directors. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the operations and report of the Company during the ASM.
5. **Ratification of all Acts of the Board of Directors, Board Committees and the Management during their term of office.** All actions, proceedings and contracts entered into, as well as resolutions made, including approvals of significant related party transactions, of the Board of Directors, the Board Committees and the Management from the last ASM held on June 22, 2023 until June 28, 2024 will be presented to the shareholders for their confirmation, approval and ratification. The Company's performance in 2023, as detailed in the Annual Report, is attributed to the strategic directions and key policies set by the Board of Directors which were effectively executed and complied with by Management in conformance with good corporate governance and ethical best practices. The ratification of the acts undertaken by the Board of Directors, Board Committees, and Management is subject to stockholders' approval during this year's stockholders' meeting.
6. **Election of Directors for 2024-2025.** The Directors of the Company, including Independent Directors, have been pre-qualified by the Company's Corporate Governance Committee for election as directors for 2024-2025. Their proven competence, expertise and qualifications based on current regulatory standards, will help sustain the Company's solid performance for the benefit of all its shareholders. The profiles of the Board of Directors are contained in the Definitive Information Statement for reference of the stockholders and are likewise posted on the Company's website. Directors for 2024-2025 will be elected during this year's stockholders' meeting. If elected, they shall serve as such from June 28, 2024 until their successors shall have been duly qualified and elected.
7. **Appointment of External Auditor.** As pre-screened and recommended by the Audit Committee, the Board has endorsed for stockholder approval the appointment of Reyes Tacandong & Co. as the Company's external auditor for 2024. Reyes Tacandong & Co. is one of the top auditing firms in the country and is duly accredited by the SEC. The appointment of Reyes Tacandong & Co. as external auditor of the Company for 2024 is subject to stockholders' approval during this year's stockholders' meeting. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2024.
8. **Other Matters.** The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.
9. **Adjournment.** After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

## PROXY FORM

The undersigned stockholder of APC Group Inc. (the "Company"), registered in the name of Philippine Central Depository Nominee Corporation, if applicable\*, hereby appoints \_\_\_\_\_ (as sub-proxy,\*) or in his absence, 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 Annual Meeting of Stockholders of the Company on June 28, 2024 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of Minutes of Previous Meeting held on June 22, 2023

\_\_\_ Yes \_\_\_ No \_\_\_ Abstain

2. Approval of 2023 Operations and Results

\_\_\_ Yes \_\_\_ No \_\_\_ Abstain

3. Ratification of all Acts of the Board of Directors, Board Committees and the Management during their term of office

\_\_\_ Yes \_\_\_ No \_\_\_ Abstain

4. Election of Directors for 2024 to 2025

\_\_\_ 4.1 Vote for all nominees listed below:

- a. Willy N. Ocier
- b. Ian Jason R Aguirre
- c. Rafael M. Alunan III (Independent)
- d. Armin Antonio B. Raquel Santos
- e. Edmundo L. Tan
- f. Jerry C. Tiu (Independent)
- g. Virginia A. Yap

\_\_\_ 4.2 Withhold authority for all nominees above

\_\_\_ 4.3 Withhold authority to vote for the nominees listed below:

\_\_\_\_\_  
\_\_\_\_\_

5. Appointment of External Auditors

\_\_\_ Yes \_\_\_ No \_\_\_ Abstain

6. 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/Broker/PCD Participant

\_\_\_\_\_  
Signature of Stockholder or Name and Signature  
of Authorized Signatory of Corporate  
Stockholder/ Broker/PCD Participant

\_\_\_\_\_  
Date

*This Proxy must be submitted together with the following:*

*For Individual Stockholders*

*If a representative will sign on behalf of stockholder, this proxy must be submitted together with a duly executed Special of General Power of Attorney showing the authority of the representative to sign on behalf of the individual stockholder.*

*For Corporate Stockholders*

*A duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the stockholder corporation. Enclosed is a sample Secretary's Certificate for your reference.*

*For PCD Participants/Brokers*

*A duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the PCD Participant/Broker, as well as the duly accomplished proxy or certificate of shareholdings issued by the PDTC. Enclosed is a sample Secretary's Certificate for your reference.*

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY AT LEAST THREE (3) BUSINESS DAYS BEFORE THE DATE SET FOR THE ANNUAL MEETING AS PROVIDED IN THE BY-LAWS.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSED HIS INTENTION TO VOTE IN PERSON.

THIS PROXY FORM SHALL BE VALID FOR FIVE (5) YEARS FROM DATE HEREOF.

\* *For PCD Participants/Brokers*

## SPECIAL POWER OF ATTORNEY

Know all men by these presents:

I, \_\_\_\_\_, \_\_\_\_\_ citizen, of legal age and a resident of \_\_\_\_\_, do hereby name, constitute, and appoint \_\_\_\_\_, \_\_\_\_\_ citizenship, of legal age and a resident of \_\_\_\_\_, to be my true and lawful attorney-in-fact for myself and in my name, place and stead, to do and perform the following acts and things, namely:

1. To attend the 2024 Annual Stockholders' Meeting of APC Group, Inc., or at any adjournments thereof, of which I am a shareholder, and then and there to exercise my voice and vote and whatsoever privileges, rights, and prerogatives may correspond to me by reason of my shares therein; and
2. To delegate in whole or in part any or all of the powers and authorities herein covered, by means of an instrument in writing in favor of any third person or persons whom the attorney-in-fact may select.

## Acknowledgement

Republic of the Philippines )  
)

Before me, a Notary Public for and in the City of \_\_\_\_\_, this\_\_ day of \_\_\_\_\_2024 personally appeared \_\_\_\_\_who presented to me his/her (Gov't. issued ID No.) issued on \_\_\_\_\_ at \_\_\_\_\_and who was identified by me through his/her competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his/her signature on the instrument was voluntarily affixed by him/her for the purposes stated therein, and who declared to me that he/she has executed the instrument as his/her free and voluntary act and deed.

This instrument refers to the Special Power of Attorney consisting of ( ) pages, including this page, and signed by the persons executing this instrument and sealed with the notarial seal.

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

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

### SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, \_\_\_\_\_ citizen, of legal age and with office address at \_\_\_\_\_, do hereby certify that:

1. I am the duly appointed 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 resolutions were 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 all meetings of the stockholders of APC Group, Inc. (APC) whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in APC 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 APC be furnished with a certified copy of this resolution and APC may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolutions have 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 Competent Evidence of Identity by way of \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

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

## Nominees for Election as Members of the Board of Directors For 2024-2025

	EXPERIENCE / EDUCATION
<b>WILLY N. OCIER</b>  	<p><b>Mr. Ocier</b>, 67, Filipino, is the Chairman and Director of the Company. He is also the Chairman and Director of Belle Corporation, Premium Leisure Corp., and Pacific Online Systems Corporation. Likewise, he is the Chairman of Total Gaming and Technologies, Inc. and PremiumLeisure and Amusement, Inc. and the Vice Chairman of Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and Vice Chairman of the Directors of Tagaytay Highlands International Golf Club, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., a Director of DigiPlus Interactive Corp. (formerly Leisure and Resorts World Corporation). He also sits as a Director of the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.</p> <p>Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.</p>
<b>IAN JASON R. AGUIRRE</b>  	<p><b>Mr. Ian Jason R. Aguirre</b>, 50, Filipino, was elected as a Director, and appointed as the President and Chief Executive Officer of the Company effective November 5, 2021. Mr. Aguirre is concurrently a Vice President of SM Investments Corporation ("SMIC"), Investment Portfolio and Vice President and Chief Finance Officer of Philippine Geothermal Production Company, Inc. He has worked in various management positions over a 20-year career that included local and international experience in corporate finance, strategic planning, operations and business development. His last stint prior to joining SMIC was as a Director for CEMEX Asia Pte. Ltd.</p> <p>Mr. Aguirre holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines and a Master's degree in Business Management from the Asian Institute of Management.</p>
<b>VIRGINIA A. YAP</b>  	<p><b>Ms. Virginia A. Yap</b>, 72, Filipino, is a Director of the Company. Ms. Yap holds key positions in SM investments Corporation as a Senior Vice President – Office of the Chairman Emeritus and Securities Department. She is also a Non-Executive Director of Belle Corporation.</p> <p>She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao.</p>

	EXPERIENCE / EDUCATION
<p><b>RAFAEL M. ALUNAN III</b></p> 	<p><b>Mr. Rafael M. Alunan III</b>, 75, Filipino, is an Independent Director of the Company who was elected on August 10, 2020. He also sits as an independent. director with the position of Vice-Chairman of Pepsi Cola Products (Philippines), Inc.; and chairs the Audit Committees of both companies. He was recently elected as President of the Philippine Taekwondo Association. Mr Alunan is the immediate past Chairman of the Philippine Council for Foreign Relations (PCFR) and the Harvard Kennedy School Alumni Association of the Philippines Inc. (HKSAAPI). He is the President-elect of the Rotary Club of Manila for RY2023-2024. He also sits on the board of the Spirit of EDSA Foundation; founded One Philippines Party List; and serves as Senior Adviser of Kaltimex Energy Phils.</p> <p>Mr. Alunan is an Eminent Fellow of the Development Academy of the Philippines (DAP); and Fellow of the Institute of Corporate Directors (ICD) and Institute for Solidarity in Asia (ISA). He co-authored the book entitled “Silver Linings”; and produced the documentary entitled “Tagaligtas”; and is a member of the Maritime League; the Fraternal Order of Eagles of the Philippines; and Zeta Phi Omega fraternity. He holds the rank of Colonel in the Armed Forces of the Philippines, and commanded the 131st Infantry Division (Standby Reserve) and the 9th Infantry Division (Ready Reserve) of the Philippine Army. He is an adopted member of Philippine Military Academy Marangal Class of 1974, PCSpecial Action Force, Special Forces Regiment (Airborne) and First Scout Ranger Regiment.</p> <p>Mr. Alunan obtained his double degree in Business Administration and History-Political Science from De La Salle University; attended Ateneo de Manila University’s Master in Business Administration-Senior Executive Program; earned a Master’s degree in Public Administration and a certificate in Executive Education from Harvard Kennedy School of Government; and graduated from the Philippine Army’s Command and General Staff College Operations Course.</p> <p>Mr. Alunan served in the Cabinets of Presidents Corazon C. Aquino and Fidel V. Ramos as Secretary of Tourism and Secretary of the Interior and Local Government, respectively.</p>
<p><b>JERRY C. TIU</b></p> 	<p><b>Jerry C. Tiu</b>, 66, Filipino, is an independent director of APC Group, Inc. He is an Independent Adviser to the Board of Premium Leisure Corp. He is a director and the President of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowners’ Association, Inc., and Greenlands Community Homeowners’ Association, Inc. He is also the President of the following companies: Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa &amp; Lodge at Tagaytay Highlands, Inc. He is a former Director of the Manila Polo Club.</p> <p>Mr. Tiu holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.</p>



	EXPERIENCE / EDUCATION
<p><b>EDMUNDO L. TAN</b></p> 	<p><b>Mr. Edmundo L. Tan</b>, 78, Filipino, is a Director of the Company from 2000 up to the present and as Corporate Secretary from 2000 until 2016. He serves as Director of Philippine Global Communications, Inc. from 2000 up to the present and as Corporate Secretary from 2000 until 2010. He is a director of Aragorn Power and Energy Corporation from 2005 up to the present and as Corporate Secretary from 2005 up to 2012. He is currently a Director of PRC MAGMA Resources, Inc. (2010 up to the present). He is a director of OLC Holdings, Inc. from July 2012 up to the present. He was elected as director of Sagittarius Mines, Inc. in March 2016. On 12 December 2019 he was elected Director of Concrete Aggregates Corporation. He serves as Corporate Secretary of BDO Unibank, Inc. from July 2007 up to the present and BDO Private Bank from February 2012 up to the present. He was formerly a Director of BDO Leasing &amp; Finance, Inc. and now serves as Adviser of the Board.</p> <p>He was a co-founder and was elected President of Philippine Dispute Resolution Center, Inc. (PDRCI) in July 2017.</p> <p>Atty. Tan is the Managing Partner of Tan, Acut Lopez &amp; Pison Law Offices (1993 up to present). He was formerly Senior Partner in Ponce Enrile Cayetano Reyes &amp; Manalastas Law Offices, a Partner in Angara Abello Concepcion, Regala &amp; Cruz Law Offices, and an Associate in Cruz Villarin Ongkiko Academia &amp; Durian Law Offices.</p> <p>He graduated from De La Salle College with a degree in Bachelor of Arts. He graduated from the University of the Philippines' College of Law in 1973.</p>
<p><b>ARMIN ANTONIO B. RAQUEL SANTOS</b></p> 	<p>Mr. Raquel Santos, 56, Filipino, is a Non-Executive Director and a member of the Executive Committee of Belle Corporation. He is the President and Chief Executive Officer of Premium Leisure Corp. and its subsidiary PremiumLeisure and Amusement, Inc., and Pacific Online Systems Corporation. He is a Director of Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc., Tagaytay Highlands International Golf Club, Inc., Manila Golf and Country Club, and member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation. Formerly, he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.</p> <p>Mr. Raquel Santos holds a Master of Arts in Liberal Studies from Dartmouth College, U.S.A. and Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.</p>

**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: **APC GROUP, INC.**

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

4. SEC Identification Number: **AS93008127**

5. BIR Tax Identification Number: **002-834-075**

6. Address of principal office: **G/F MyTown New York Bldg., Gen. E. Jacinto St. corner Capas St., Brgy. Guadalupe Nuevo, Makati City, 1212**

7. Registrant's telephone number, including area code: **(632) 8662-8888**

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

**Date: June 28, 2024, Friday**

*The scheduling of the annual stockholders' meeting on June 28, 2024, instead of on the 2<sup>nd</sup> Thursday of June (or June 13, 2024) as provided in the Corporation's By Laws, was necessitated because of (i) the Corporation's need to comply with the SEC's recommended practice of sending out notices of stockholders' meetings together with the annual financial reports at least twenty-eight (28) days prior to the date of the meeting; coupled with (ii) of the Corporation's inability to come up with its Annual Report (or SEC Form 17A) and the Sustainability Report, which are required to be in place in relation to the holding of an annual stockholders' meeting, way ahead of the date prescribed by the Corporation's By-Laws.*

**Time: 11:00 AM**

**Venue: Videoconferencing via Zoom Webinar**

Approximate date on which the Information Statement is first to be sent or given to security holders:  
**May 28, 2024**

9. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	<b>7,504,203,997 shares (as of April 30, 2024)</b>

10. Are any or all of these securities listed on a stock exchange?

Yes ( ☒ )      No ( ☐ )

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

**Class of Shares Listed: Common Shares**

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

## A. GENERAL INFORMATION

### Item 1. Date, time and place of meeting of security holders.

- (a) Date: **June 28, 2024, Friday**

*The scheduling of the annual stockholders' meeting on June 28, 2024, instead of on the 2<sup>nd</sup> Thursday of June (or June 13, 2024) as provided in the Corporation's By Laws, was necessitated because of (i) the Corporation's need to comply with the SEC's recommended practice of sending out notices of stockholders' meetings together with the annual financial reports at least twenty-eight (28) days prior to the date of the meeting; coupled with (ii) of the Corporation's inability to come up with its Annual Report (or SEC Form 17A) and the Sustainability Report, which are required to be in place in relation to the holding of an annual stockholders' meeting, way ahead of the date prescribed by the Corporation's By-Laws.*

Time: **11:00 AM**

Place: **Videoconferencing via Zoom Webinar**

- (b) The approximate date on which the Information Statement is first to be sent or given to security holders is on May 28, 2024.
- (c) The complete mailing address of the principal office of **APC Group, Inc.** ("the Company") is: **G/F MyTown New York Bldg., Gen. E. Jacinto St. corner Capas St., Brgy. Guadalupe Nuevo, Makati City 1212 Philippines**

### Item 2. Dissenters' Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on June 28, 2024 are not among the instances enumerated in Sections 41 and 80 of the Revised Corporation Code ("Revised Code") whereby the right of any stockholder to dissent and demand payment of the fair value of his shares may be exercised. 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 stockholders or class of shares, or of authorizing preferences to any respect superior to those 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 dispositions of all or substantially all of the corporate property and assets as provided in the Revised Code;
3. In case of the investment of the corporate funds in another corporation or business or for any purpose other than its primary purpose; and
4. In case of merger or consolidation.

In case the right of appraisal will be exercised, Section 82 of the Revised Corporation Code provides for the appropriate procedure, 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 Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that 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 Company 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 Company 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 Company 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 Company within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: and Provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

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

- (a) No person who has been a director or officer or a nominee for election as director of the Company or associate of such persons, has a substantial interest, direct or indirect, in any matter to be acted upon other than the election of directors for the year 2024-2025.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the Registrant during the stockholders' meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### Item 4. Voting Securities and Principal Holders Thereof

#### (a) Voting Securities

As of April 30, 2024, the Registrant has **7,504,203,997** common shares outstanding and each share is entitled to one vote. As of April 30, 2024, out of the outstanding capital stock of the Company, 531,561,509 common shares or **7.08%** is owned by foreigners.

#### (b) Record Date

The Record Date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is May 31, 2024.

#### (c) Voting Rights

At every meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy and, unless otherwise provided by law, he shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Corporation. At all meetings of the stockholders, all elections and all questions shall be decided by the plurality of vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases where other provision is made by statute. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by proxy if there be such proxy, and shall state the number of shares voted by him.

With respect to the election of directors of seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).

In light of the community quarantine imposed over various areas of the country and to ensure the safety and welfare of stockholders and everyone involved, this year's Annual Stockholders' Meeting will be conducted virtually, and will be broadcasted via livestreaming accessible to registered stockholders, the details of which can be found in <https://www.apcaragorn.net/investor-relations/annual-stockholders-meeting/>. The Company will record in video the proceedings and maintain a copy with the office of the Corporate Secretary.

Stockholders as of Record Date must inform the Corporate Secretary of their intention to participate in the meeting via remote communication and to vote *in absentia* by registering at [apc\\_governance@bellecorp.com](mailto:apc_governance@bellecorp.com) on or before June 25, 2024 (Tuesday), subject to the verification and validation by the Corporate Secretary. Stockholders who will participate through remote communication or *in absentia* shall be deemed present for purposes of quorum for the meeting.

The Board of Directors adopted a resolution allowing stockholders to participate, and to exercise their right to vote, via remote communication or *in absentia*. Voting will be made through a secure online voting facility accessible only to verified stockholders to protect the integrity and secrecy of votes cast.

The detailed guidelines for participation and voting for this meeting are set forth in the “Guidelines for Participation via Remote Communication and Voting in Absentia” appended to this Information Statement (see attached **Schedule “A”**).

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

1. Security Ownership of Certain Record and Beneficial Owners

The persons or groups identified in the table below 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 April 30, 2024:

<b>Title of Class</b>	<b>Name and address of Record Owner and Relationship with Issuer</b>	<b>Name of beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percent Held</b>
Common	PCD Nominee Corp. (Filipino)  G/F Makati Stock Exchange, Ayala Ave. Makati City	Belle Corporation <sup>2</sup>	Filipino	3,500,000,000	46.641%
Common	PCD Nominee Corp. <sup>1</sup> (Filipino)  G/F Makati Stock Exchange, Ayala Ave. Makati City	Various <sup>3</sup>	Filipino	1,909,593,156	25.447%
Common	PCD Nominee Corp. <sup>1</sup> (Non-Filipino)  G/F Makati Stock Exchange, Ayala Ave. Makati City	Various <sup>3</sup>	Non-Filipino	415,461,509	5.536%

<sup>1</sup> 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 APC Group, Inc. are to be voted.

<sup>2</sup> Belle Corporation (“Belle”) is an affiliate of APC Group Inc. The shares held by Belle Corporation are currently lodged under BDO Securities Corporation, which is a stock brokerage firm as well as a trading participant in the Philippine Depository and Trust Corporation. Belle shares shall be voted or disposed of by the persons who shall be duly authorized by Belle for the purpose. The natural person/s that has/have the power to vote on the shares of Belle shall be determined upon the submission of its proxy form to the Company, which is not later than three (3) business days before the date of the meeting.

<sup>3</sup> The Company is not aware of other single participant who has beneficial ownership of more than 5% of the Company’s shares other than as stated above.

2. Security Ownership of Management

The following table shows the shareholdings beneficially held by the directors and officers of the Company as of April 30, 2024:

Title Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership		Class of Securities	Total	
						No.	%
Common	Willy N. Ocier	Filipino	2,207,001	Direct / Indirect	Voting	2,207,001	0.03
Common	Jackson T. Ongsip	Filipino	1	Direct	Voting	1	-
Common	Rafael M. Alunan III	Filipino	1	Direct	Voting	1	-
Common	Ian Jason R. Aguirre	Filipino	1	Direct	Voting	1	-
Common	Edmundo L. Tan	Filipino	234,701	Direct / Indirect	Voting	234,701	0.00
Common	Jerry C. Tiu	Filipino	487,001	Direct / Indirect	Voting	487,001	0.01
Common	Virginia A. Yap	Filipino	10,001	Direct	Voting	10,001	-
Common	Richard Anthony D. Alcazar	Filipino	-	n/a	n/a	-	-
Common	Anna Josefina G. Esteban	Filipino	-	n/a	n/a	-	-
Common	Marie Joy T. Co	Filipino	-	n/a	n/a	-	-
Common	Michelle Angeli T. Hernandez	Filipino	-	n/a	n/a	-	-
			2,938,707	2,938,7070.04			

3. Voting Trust Holders of 10% or More

There are no parties holding voting trust for 10% or more of APC's voting securities.

4. Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

There are no existing or planned stock warrant offerings by APC. There are no arrangements which may result in a change in control of the Company.

**Item 5. Directors and Executive Officers of the Registrant**

The names and ages of all incumbent Directors, elected on June 22, 2023 during the Annual Stockholders' Meeting and who are to serve a term of one (1) year until their successor shall have been elected and qualified, and the Executive Officers are:

Name	Age/Years	Date First Elected	Position	Nationality
Willy N. Ocier	67	Year 1999 to present	Chairman	Filipino
Jackson T. Ongsip	50	August 13, 2015 to November 5, 2021	Executive Director / President / CFO	Filipino
		November 5, 2021 to present	Non-Executive Director	
Edmundo L. Tan	78	Year 2000 to present	Director	Filipino
Ian Jason R. Aguirre	50	August 13, 2015 to November 5, 2021	EVP-CFO / Compliance Officer / CRO / Treasurer	Filipino
		November 5, 2021 to present	President, CEO and Executive Director	
Virginia A. Yap	72	June 6, 2012 to present	Director	Filipino
Rafael M. Alunan III	75	August 10, 2020 to present	Independent Director (Lead)	Filipino
Richard Anthony D. Alcazar	53	May 31, 2017 to present	Corporate Secretary	Filipino

<b>Name</b>	<b>Age/Years</b>	<b>Date First Elected</b>	<b>Position</b>	<b>Nationality</b>
Richard Anthony D. Alcazar	53	May 31, 2017 to present	Corporate Secretary	Filipino
Marie Joy T. Co	42	November 6, 2021 to present	Treasurer and Compliance Officer	Filipino
Michelle Angeli T. Hernandez	52	July 22, 2021 to present	Chief Risk Officer	Filipino
Anna Josefina G. Esteban	56	July 1, 2019 to present	Chief Audit Executive	Filipino

The Company's Board of Directors is vested, by the by-laws of the Company, over-all responsibility for the management of the Company's business. The Board of Directors elects the executive officers of the Company.

The Company amended its Amended By-Laws by adding Section 13 of Article IV providing rules and regulation for the nomination and election of independent directors and which amendment was approved by the SEC on November 28, 2006.

## **BOARD OF DIRECTORS**

The composition of the Board of Directors and the incumbent executive officers of the Company are as follows:

### **Willy N. Ocier**

Chairman of the Board

Non-Executive Director

Date of First Election: Year 1999

Chairman, Executive Committee and Compensation and Remuneration Committee

Mr. Ocier, 67, Filipino, is the Chairman and Director of the Company. He is also the Chairman and Director of Belle Corporation, Premium Leisure Corp., and Pacific Online Systems Corporation. Likewise, he is the Chairman of Total Gaming and Technologies, Inc. and PremiumLeisure and Amusement, Inc. and the Vice Chairman of Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and Vice Chairman of the Directors of Tagaytay Highlands International Golf Club, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., a Director of DigiPlus Interactive Corp. (formerly Leisure and Resorts World Corporation). He also sits as a Director of the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

### **Ian Jason R. Aguirre**

Executive Director

President and Chief Executive Officer

Date of First Election: November 2021

Member, Executive Committee

Mr. Ian Jason R. Aguirre, 50, Filipino, was elected as a Director, and appointed as the President and Chief Executive Officer of the Company effective November 5, 2021. Mr. Aguirre is concurrently a Vice President of SM Investments Corporation ("SMIC"), Investment Portfolio and Vice President and Chief Finance Officer of Philippine Geothermal Production Company, Inc. He has worked in various management positions over a 20-year career that included local and international experience in corporate finance, strategic planning, operations and business development. His last stint prior to joining SMIC was as a Director for CEMEX Asia Pte. Ltd.

Mr. Aguirre holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines and a Master's degree in Business Management from the Asian Institute of Management.

**Jackson T. Ongsip**

Non- Executive Director starting November 5, 2021

Executive Director, President and Chief Executive Officer until November 5, 2021

Date of First Election: August 2015

Chairman: Risk Oversight Committee

Member, Audit Committee, Corporate Governance Committee and Related Party Transactions Committee

Mr. Ongsip, 50, Filipino, is a Non-Executive Director of APC Group. He is also the President and Chief Executive Officer of Belle Corporation and Pacific Online Systems Corporation, and Vice President for Portfolio Investments of SM Investments Corporation. Mr. Ongsip is a Certified Public Accountant with an extensive audit and finance background accumulated from 5 years in external audit with SyCip, Gorres, Velayo & Co., 11 years with Globe Telecom and 10 years now with the SM Group. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy.

**Edmundo L. Tan**

Non-Executive Director

Date of First Election: Year 2000

Member, Compensation and Remuneration Committee

Atty. Tan, 78, Filipino, is a Director of the Company from 2000 up to the present and as Corporate Secretary from 2000 until 2016. He serves as Director of Philippine Global Communications, Inc. from 2000 up to the present and as Corporate Secretary from 2000 until 2010. He is a director of Aragorn Power and Energy Corporation from 2005 up to the present and as Corporate Secretary from 2005 up to 2012. He is currently a Director of PRC MAGMA Resources, Inc. (2010 up to the present). He is a director of OLC Holdings, Inc. from July 2012 up to the present. He was elected as director of Sagittarius Mines, Inc. in March 2016. On 12 December 2019 he was elected Director of Concrete Aggregates Corporation. He serves as Corporate Secretary of BDO Unibank, Inc. from July 2007 up to the present and BDO Private Bank from February 2012 up to the present. He was formerly a Director of BDO Leasing & Finance, Inc. and now serves as Adviser of the Board.

He was a co-founder and was elected President of Philippine Dispute Resolution Center, Inc. (PDRCI) in July 2017.

Atty. Tan is the Managing Partner of Tan, Acut Lopez & Pison Law Offices (1993 up to present). He was formerly Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices, a Partner in Angara Abello Concepcion, Regala & Cruz Law Offices, and an Associate in Cruz Villarin Ongkiko Academia & Durian Law Offices.

He graduated from De La Salle College with a degree in Bachelor of Arts. He graduated from the University of the Philippines' College of Law in 1973.

**Virginia A. Yap**

Non-Executive Director

Date of First Election: June 2012

Member, Executive Committee, and Compensation and Remuneration Committee

Ms. Yap, 72, Filipino, is a Director of the Company. Ms. Yap holds key positions in SM investments Corporation as a Senior Vice President – Office of the Chairman Emeritus and Securities Department. She is also a Non-Executive Director of Belle Corporation.

She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao.

**Independent Directors**

The following are brief descriptions of the business experiences over the past five (5) years of the incumbent independent directors of the Company:

**Rafael M. Alunan III**

Lead Independent Director

Non-Executive Director

Date of First Election: August 2020

Chairman, Audit Committee

Member, Corporate Governance, Risk Oversight Committee, and Related Party Transactions Committee



Mr. Alunan, 75, Filipino, is an Independent Director of the Company who was elected on August 10, 2020. He also sits as an independent director with the position of Vice-Chairman of Pepsi Cola Products (Philippines), Inc.; and chairs the Audit Committees of both companies. He was recently elected as President of the Philippine Taekwondo Association. Mr. Alunan is the immediate past Chairman of the Philippine Council for Foreign Relations (PCFR) and the Harvard Kennedy School Alumni Association of the Philippines Inc. (HKSAAPI). He is the President-elect of the Rotary Club of Manila for RY2023-2024. He also sits on the board of the Spirit of EDSA Foundation; founded One Philippines Party List; and serves as Senior Adviser of Kaltimex Energy Phils.

Mr. Alunan is an Eminent Fellow of the Development Academy of the Philippines (DAP); and Fellow of the Institute of Corporate Directors (ICD) and Institute for Solidarity in Asia (ISA). He co-authored the book entitled “Silver Linings”; and produced the documentary entitled “Tagaligtas”; and is a member of the Maritime League; the Fraternal Order of Eagles of the Philippines; and Zeta Phi Omega fraternity. He holds the rank of Colonel in the Armed Forces of the Philippines, and commanded the 131st Infantry Division (Standby Reserve) and the 9<sup>th</sup> Infantry Division (Ready Reserve) of the Philippine Army. He is an adopted member of Philippine Military Academy Marangal Class of 1974, PCSpecial Action Force, Special Forces Regiment (Airborne) and First Scout Ranger Regiment.

Mr. Alunan obtained his double degree in Business Administration and History-Political Science from De La Salle University; attended Ateneo de Manila University’s Master in Business Administration-Senior Executive Program; earned a Master’s degree in Public Administration and a certificate in Executive Education from Harvard Kennedy School of Government; and graduated from the Philippine Army’s Command and General Staff College Operations Course.

Mr. Alunan served in the Cabinets of Presidents Corazon C. Aquino and Fidel V. Ramos as Secretary of Tourism and Secretary of the Interior and Local Government, respectively.

### **Jerry C. Tiu**

Independent Director

Date of First Election: July 22, 2021

Chairman: Corporate Governance Committee and Related Party Transactions Committee

Member: Audit Committee, Risk Oversight Committee

Mr. Tiu, 66, Filipino, is an independent director of APC Group, Inc. He is an independent adviser to the Board of Premium Leisure Corp. He is a director and the President of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowners’ Association, Inc., and Greenlands Community Homeowners’ Association, Inc. He is also the President of the following companies: Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa & Lodge at Tagaytay Highlands, Inc. He is a former Director of the Manila Polo Club.

Mr. Tiu holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.

### **Nomination of Regular and Independent Directors for 2024-2025**

Mr. Rafael M. Alunan III and Mr. Jerry C. Tiu were elected as Independent Directors during June 22, 2023 Annual Stockholders’ Meeting to comply with the requirements set forth in Section 38 of the Securities Regulation Code.

Currently, no independent director has exceeded the cumulative term of nine (9) years per SEC Memorandum Circular No. 4, Series of 2017.

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 Company’s By-Laws.

The Corporate Governance Committee has endorsed the nominations for election of the following as regular and independent directors of the Company for 2024-2025:

#### Regular Directors

1. Willy N. Ocier
2. Ian Jason R. Aguirre
3. Edmundo L. Tan
4. Virginia A. Yap
5. Armin Antonio B. Raquel Santos (New Nominee)

#### Independent Directors

1. Rafael M. Alunan III
2. Jerry C. Tiu

The Corporate Governance Committee constituted by the Company's Board of Directors, indorsed the nomination by Maritoni Z. Liwanag and Martin Israel L. Pison in favor of Mr. Rafael M. Alunan III and Mr. Jerry C. Tiu, respectively, for re-election as Independent Directors. Ms. Liwanag and Mr. Pison are not related to Mr. Alunan and Mr. Tiu, respectively.

The Corporate Governance Committee, composed of Mr. Jerry C. Tiu, Mr. Rafael M. Alunan III and Mr. Jackson T. Ongsip has determined that the nominees for Independent Director possess all the qualifications and has none of the disqualifications for independent director as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code (SRC).

The brief descriptions of the business experiences over the past five (5) years of the new nominee, Mr. Armin Antonio B. Raquel Santos for election as director, is as follows:

Mr. Raquel Santos, 56, Filipino, is a Non-Executive Director and a member of the Executive Committee of Belle Corporation. He is the President and Chief Executive Officer of both Premium Leisure Corp. and its subsidiary PremiumLeisure and Amusement, Inc. He is also a Director of Pacific Online Systems Corporation, Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc., Tagaytay Highlands International Golf Club, Inc., Manila Golf and Country Club, and member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation. Formerly, he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

Mr. Raquel Santos holds a Master of Arts in Liberal Studies from Dartmouth College, U.S.A. and Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.

#### **Procedure for the Nomination of Directors**

The procedure for the nomination of directors is as follows:

1. Nomination of directors shall be conducted by the Corporate Governance Committee or such other committee of the Board of Directors tasked to review and evaluate nominations for election to the Board of Directors prior to a stockholders' meeting.
2. All nominations shall be submitted to the Corporate Governance Committee by any stockholder of record to assess and evaluate the qualifications of the nominees.
3. All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
4. After the nomination, the Corporate Governance 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 Corporation will be required to submit to the SEC.

5. The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee.
6. 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 after the List of Candidates shall have been prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
7. Any vacancy occurring in the Board of Directors by reason of death, resignation, retirement or disqualification may be filled by the affirmative vote of a majority of the remaining directors constituting a quorum, upon the nomination of the Corporate Governance Committee, provided, that specific slots for independent directors shall not be filled by unqualified nominees. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

### Orientation and Continuing Education

All new directors undergo an orientation program soon after date of election. This is intended to familiarize the new directors on their statutory / fiduciary roles and responsibilities in the Board and its Committees, Belle's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics and the Revised Manual on Corporate Governance.

All directors are also encouraged to participate in continuing education programs annually, at Belle's expense, to promote relevance and effectiveness and to keep them abreast of the latest developments in corporate directorship and good governance.

Names				Date	Training Provider	Topics
Ocier	Willy	N	Chairman	10/16/2023	Institute of Corporate Directors	Global Economic and Geopolitical Outlook / Business Trends and Insights / Generative A.I. and Cybersecurity
Aguirre	Ian Jason	R	President, CEO			
Ongsip	Jackson	T	Independent Director			
Tan	Edmund	L	Non-Executive Director			
Yap	Virginia	A	Non-Executive Director			
Tiu	Jerry	C	Independent Director	12/13/2023	Institute of Corporate Directors	Risk Management in the Post-Covid Age
Alunan	Rafael III	M	Lead Independent Director			

### EXECUTIVE OFFICERS:

#### Ian Jason R. Aguirre

Please refer to Mr. Aguirre's profile under "Board of Directors".

#### Richard Anthony D. Alcazar

Atty. Alcazar, 53, is also the Corporate Secretary of the Company. He is likewise the Corporate Secretary of Philippine Global Communications, Inc. since June 22, 2010. He was appointed Corporate Secretary of BDO Leasing & Finance Inc. in 2009. He is a partner in Tan Acut Lopez & Pison Law Offices and his practice is primarily devoted to the fields of corporation law and taxation. He was formerly a Director in the Tax Division of Sycip Gorres Velayo & Co. where he worked as a tax practitioner from November 1994 to December 2002.

Atty. Alcazar graduated with a Bachelor of Science degree in Business Economics from the University of the Philippines School of Economics and a Bachelor of Laws degree from the University of the Philippines College of Law. He also holds a Master of Arts degree in International Development from the International University of Japan with Public Finance as field of concentration. He is a member of the Integrated Bar of the Philippines and the Tax Management Association of the Philippines.

**Marie Joy T. Co**

Ms. Co, 42, Filipino, is concurrently the Accounting Manager for the Philippine Geothermal Production Company, Inc. She was an Analyst for Shell Shared Services Philippines from 2004 to 2006, and Auditor for KPMG – Laya Mananghaya from 2003 to 2004. Ms. Co is a graduate of Bachelor of Science in Accountancy from De La Salle University, and a Certified Public Accountant.

**Anna Josefina G. Esteban**

Ms. Esteban, 56, Filipino, is the Chief Audit Executive of the following publicly listed companies: (i) Belle Corporation; (ii) Premium Leisure Corp; (iii) Pacific Online Systems Corporation; and (iv) APC Group, Inc. Prior to joining the Belle Group, she served as Treasurer and Chief Finance Officer of Miriam (formerly Maryknoll) College Foundation, Inc. and worked at the Asian Development Bank for 18 years as Senior Officer at the Office of the Treasurer, Office of the Auditor General and Operations Evaluation Office. Earlier on, she was the Head of the Finance Systems and Audit Unit of Magnolia Nestle Corporation (a joint venture of San Miguel Corporation and Nestle S.A.). She was an auditor and management consultant at Carlos J. Valdes & Co. and was an accounting/finance professor at the College of St. Benilde and the Graduate School of Business of De La Salle University (DLSU). Ms. Esteban is a Certified Public Accountant, Certified Information Systems Auditor and Certified Data Privacy Auditor. She earned her Bachelor of Science degree in Accounting at the College of the Holy Spirit, Manila and her Master in Business Administration (with distinction) at DLSU.

**Michelle Angeli T. Hernandez**

Ms. Hernandez, 52, Filipino, is the Chief Risk Officer of the Company. She is Compliance Officer, Chief Risk Officer and Vice President for Governance of Belle Corporation, and Compliance Officer and Chief Risk Officer of Premium Leisure Corp., and the Compliance Officer of Pacific Online Systems Corporation. She is mainly responsible for developing, implementing and managing various strategies, processes and policies related to Corporate Governance, Enterprise Risk Management and Corporate Affairs for the Company and its subsidiaries. She has a bachelor's degree in Tourism (Cum Laude) from the University of Sto. Tomas.

**Period of Officership:**

Name	Age/Years	Date First Elected	Position	Nationality
Richard Anthony D. Alcazar	53	May 31, 2017 to present	Corporate Secretary	Filipino
Marie Joy T. Co	42	November 6, 2021 to present	Treasurer and Compliance Officer	Filipino
Michelle Angeli T. Hernandez	52	July 22, 2021 to present	Chief Risk Officer	Filipino
Anna Josefina G. Esteban	56	July 1, 2019 to present	Chief Audit Executive	Filipino

**Directorships in Other Publicly Listed Companies:**

The following are directorships held by Directors and Officers in other reporting companies in the last five years:

Name of Director	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent); Indicate if director is also the Chairman
Willy N. Ocier	Belle Corporation	Chairman, Executive Director
	Premium Leisure Corp.	Chairman, Executive Director
	Pacific Online Systems Corporation	Chairman, Non-Executive Director
	Leisure & Resorts World Corp.	Non-Executive Director
	Vantage Equities, Inc.	Non-Executive Director
	AbaCore Capital Holdings, Inc.	Non-Executive Director

<b>Name of Director</b>	<b>Name of Listed Company</b>	<b>Type of Directorship (Executive, Non-Executive, Independent); Indicate if director is also the Chairman</b>
Virginia A. Yap	Belle Corporation	Non-Executive Director
Jackson T. Ongsip	Pacific Online Systems Corporation	Executive Director, President and CEO
Jerry C. Tiu	Premium Leisure Corp.	Independent Director until April 22, 2024
Rafael M. Alunan III	Metro Global Holdings Corp.	Independent Director
	Pepsi Cola Products (Philippines), Inc.	Vice Chairman and Independent Director
Armin Antonio B. Raquel Santos	Belle Corporation	Non-Executive Director
	Pacific Online Systems Corporation	Non-Executive Director
	Premium Leisure Corp.	Executive Director, President & CEO

### **Family Relationships**

None.

### **Significant employee**

There is no significant employee.

### **Involvement in Certain Legal Proceedings**

As of the date of this information statement, the Company is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years up to date of the Information Statement:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
- (b) Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding.
- (c) 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 above persons in any type of business, securities, commodities or banking activities; and,
- (d) Any finding by a domestic or foreign court of competent jurisdiction (in 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.

### **Parent of Registrant and Basis of Control**

Belle Corporation owns 3,500,000,000 shares of the Company's capital stock or 46.64%.

### **Certain Relationships and Related Transactions**

No director or executive officers or any member of their immediate family has, during the last two years, had a direct or indirect, material interest in a transaction or proposed transaction to which the Company was a party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of any such individual; and (d) affiliate, which is a party that, directly or indirectly through one or more intermediaries, control, is controlled by, or is under common control with the Company. Related party transactions pertain to the availing of noninterest-bearing advances from a stockholder and other related parties.

The related party transactions are described in Note 16 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

### **Disagreement with Director**

No director has resigned nor declined to stand for re-election to the Board of Directors because of a disagreement with the Company on any matter relating to the latter's operations, policies or practices since the date of the last Annual Stockholders' Meeting.

### **Item 6. Compensation of Directors and Executive Officers**

Each director is entitled to a transportation allowance of ₱5,000 per board meeting attended to cover transportation expenses.

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer and Chief Finance Officer of the Company are as follows:

#### **Name and Principal Position**

1. Ian Jason R. Aguirre<sup>1</sup>  
CEO & President
2. Marie Joy T. Co<sup>1</sup>  
Treasurer and Financial Controller, Compliance Officer

<b>Summary of Compensation Table</b>	<b>Year</b>	<b>Amount</b>
CEO & Most Highly Compensated Executive Officers	2024 (estimate)	₱1,350,000
	2023 (actual)	1,350,000
	2022 (actual)	1,300,000
All Other officers as a group unnamed	2024 (estimate)	—
	2023 (actual)	—
	2022 (actual)	—

<sup>1</sup>CEO and Most Highly Compensated Executive Officers

Except as provided above, there are no other officers of the Company receiving compensation.

### **2023 Per Diem for Attendance to Meetings of Directors**

Each member of the Board of Directors received the following as Directors for the year 2023. The amounts represent their per diem for the meetings attended and all other responsibilities undertaken for the Company.

<b>Directors</b>	<b>Per Diem in 2023 (PHP)</b>
Willy N. Ocier	45,000.00
Ian Jason R. Aguirre <sup>a</sup>	45,000.00
Jackson T. Ongsip	45,000.00
Edmundo L. Tan	45,000.00
Jerry C. Tiu <sup>d</sup>	45,000.00
Virginia A. Yap	45,000.00
Rafael M. Alunan III	45,000.00

Below table shows the attendance of each Board member in the meetings conducted in 2023:

**APC | Summary of 2023 Board of Directors' Meetings**

<b>Board of Directors</b>	<b>9-Feb-23</b>	<b>20-Apr-23</b>	<b>22-Jun-23<sup>1</sup></b>	<b>22-Jun-23<sup>2</sup></b>	<b>3-Aug-23</b>	<b>9-Nov-23</b>
Ocier, Willy	✓	✓	✓	✓	✓	✓
Aguirre, Ian Jason R.	✓	✓	✓	✓	✓	✓
Alunan, Rafael M. III (ID)	✓	✓	✓	✓	✓	✓
Ongsip, Jackson T.	✓	✓	✓	✓	✓	✓
Tan, Emundo L.	✓	✓	✓	✓	✓	✓
Tiu, Jerry C. (ID)	✓	✓	✓	✓	✓	✓
Yap, Virginia A.	✓	✓	✓	✓	✓	✓

<sup>1</sup> - Annual Stockholders' Meeting

<sup>2</sup> - Board Organizational Meeting

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

There are no compensatory plans or arrangements with any executive officer/director that resulted in or will result from the resignation, retirement or termination of such executive officer/director or from change-in-control in the Company.

## **Warrants and Options Outstanding**

None. All outstanding options of all executive officers and directors expired in 1999.

## **No Action on Compensation Plans**

No action will be taken on the Registrant's Compensation Plans.

## **Item 7. Independent Public Accountants**

Reyes Tacandong & Co. (the "RT & Co.") will be recommended for appointment as external auditor for 2023. The recommendation to appoint a new external auditor is in line with the Company's thrust to promote good governance practices as stated in its Manual on Corporate Governance, that the external auditor or the handling partner shall be changed every five (5) years or earlier. This is also in support of the Company's efforts to rationalize expenditures and promote cost reduction measures.

- a. The Company's external auditors for 2023 and 2022 was RT & Co. with Ms. Belinda Fernando as the partner-in-charge.
- b. Representatives of RT & Co. 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.
- c. There was no event in 2023 and 2022 where RT & Co. had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- d. In compliance with SRC Rule 68 3 (b) (iv), the assignment of RT & Co.'s engagement partner for the Company shall not exceed five (5) consecutive years.
- e. The aggregate fees paid by the Company for professional services rendered by the external auditor for the audit of financial statements for the years ended December 31, 2023 and 2022 are as follows:

2023	₱250,000
2022	220,000
- f. There were no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.
- g. The Audit Committee, composed of Mr. Rafael M. Alunan III (Chairman), Mr. Jerry C. Tiu and Mr. Jackson T. Ongsip, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Management.
- h. The Audit Committee recommended the appointment of Reyes Tacandong & Co. as the Company's external auditor of fiscal year 2023 and the Board approved and endorses the appointment for stockholders' approval.

## **Item 8. Compensation Plans**

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

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

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

No action will be presented for shareholders' approval at this year's annual meeting which involves authorization or issuance of any securities.

### **Item 10. Modification or Exchange of Securities**

No action will be presented for shareholders' approval at this year's annual meeting which involves the modification of any class of the Company's securities, or the issuance of one of Company's securities in exchange for outstanding securities of another class.

### **Item 11. Financial and Other Matters**

The Audited Financial Statements of the Company and the Management Report, incorporating the Management's Discussion & Analysis, is attached as Annex "B".

Representatives of the external auditor, RT & Co., are expected to be present at the annual 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 from the shareholders. The Company has had no material disagreement with RT & Co. on any matter of accounting principle or practices or disclosures in the Company's financial statements.

### **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

No action will be presented for shareholders' approval at this year's annual meeting which involves any mergers, consolidation, acquisition and other similar transactions.

### **Item 13. Acquisition or Disposition of Property**

No action will be presented for shareholders' approval at this year's annual meeting in respect of any acquisition or disposition of property of the Company.

### **Item 14. Restatement of Accounts**

No action will be presented for shareholders' approval at this year's annual meeting which involves the restatement of any of the Company's asset, capital or surplus account.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports**

There is no action to be taken with respect to any report of the Company or of its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of the Company.

At the annual meeting on June 28, 2024, shareholders will be asked to approve and ratify the following:

1. Minutes of the Annual Stockholders' Meeting (ASM) held on June 22, 2023 as appended to this Information Statement as "Annex A". The minutes of the said ASM was posted on the Company's website: <https://www.apcaragorn.net/wp-content/uploads/22-June-2023-Minutes-of-Stockholders-Meeting-draft2.pdf> within 24 hours from adjournment of the meeting. This includes the following:
  - a. Voting procedure used and the tabulation for each agenda item during the June 22, 2023 and the engagement of Ms. Cristina C. Naguit as third-party validator of votes during the said meeting;



- b. Opportunities presented to the shareholders to participate by asking questions; questions and responses have been included in the minutes of the meeting;
- c. List of directors and officers who attended the meeting, as well as description of the stockholders who attended, verified by the Company's stock transfer agent and validated by Ms. Cristina C. Naguit.

The office of the Corporate Secretary has in its full custody the list and names of the stockholders who participated in the June 22, 2023 ASM.

2. All general acts of the Board of Directors, Board Committees and Management during their term of office, which refer to all actions, proceedings and contracts entered into, as well as resolutions made including approvals of significant related party transactions of the Board, Board Committees and Management from the June 22, 2023 ASM to the date of this meeting.

The matters for stockholders' ratification are acts of the Board, its Committees and Management for the previous year up to the date of the annual meeting which were entered into or made in the ordinary course of business such as but not limited to approval of projects, Treasury matters related to opening of accounts and transactions with banks and appointment of signatories and amendments thereof. The significant acts or transactions of which are covered by appropriate disclosures with the SEC and PSE are as follows:

<b>Date</b>	<b>Title</b>
March 01, 2023	2022 Audited Financial Statement
April 20, 2023	Notice of 2023 Annual or Special Stockholders' Meeting
June 22, 2023	Results of 2023 Annual or Special Stockholders' Meeting
June 22, 2023	Results of Organizational Meeting of the Board of Directors

3. 2023 Operations and Results are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Ms. Cristina Castro Naguit, a Certified Public Accountant, shall be present during the June 28, 2024 Annual Stockholders' Meeting for the purpose of validating and tallying the votes cast.

There are no other matters that would require approval of the stockholders.

For the period ended December 31, 2023, there were no self-dealings or related party transactions by any director which require disclosure.

There is likewise no material information on the current stockholders and their voting rights requiring disclosure.

#### **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. Other Proposed Actions**

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposed to be taken at the annual meeting.

## **Item 18. Voting Procedures**

### **Vote required for approval**

Matters subject to stockholder approval, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote, a quorum being present in such meeting. Each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him.

Matters presented to stockholders for approval at this year's Annual Stockholders' Meeting require only a majority of the stockholders for approval. For election of directors, the stockholders are entitled to cumulate their votes.

### **Methods by which votes will be casted and counted**

The Company's By-laws does not prescribe a specific manner of voting by stockholders. For this year's Annual Stockholders' Meeting, the Board of Directors approved a resolution allowing stockholders to participate in the meeting via remote communication and to vote in absentia.

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote in absentia, duly verified and validated by the Company, shall be provided with unique log-in credentials to securely access the voting portal.

Stockholders and proxy holders can then cast their votes on specific matters for approval, including the election of directors. Votes will then be automatically tabulated and counted at the close of voting for each agenda item during the meeting.

The Corporate Secretary is tasked and authorized to validate, count and tabulate votes by stockholders. For this year's annual meeting, Ms. Cristina Naguit, CPA has been engaged and appointed to independently count and validate votes from stockholders.

Pursuant to the Company's By-laws, duly accomplished proxy forms must be submitted to the Corporate Secretary at least three (3) business days prior the meeting. Duly signed proxy forms should therefore be submitted no later than June 25, 2024 at the Office of the Corporate Secretary at the 23<sup>rd</sup> Floor, Philippine Stock Exchange Centre, East Tower Exchange Road, Ortigas Center, Pasig City for validation. A sample format of the proxy form is here attached and are also available at the Company's website.

The Corporate Secretary will lead the validation of proxies, in coordination with APC's stock and transfer agent, and Ms. Naguit as independent validator and tabulator of votes. Any questions and issues relating to the validity and sufficiency of proxies, both as to form and substance, shall be resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the meeting.

*The detailed guidelines for participation and voting for this meeting are set forth in the "Guidelines for Participating via Remote Communication and Voting in Absentia" appended as Schedule "A" to this Information Statement.*

## SIGNATURE

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

This is signed in the City of Makati this 21<sup>st</sup> day of May, 2024.



Ian Jason R. Aguirre  
President and Chief Executive Officer

**MANAGEMENT REPORT**

**APC GROUP, INC.**  
**BUSINESS AND GENERAL INFORMATION**

**BACKGROUND**

APC Group, Inc. (the Parent Company or APC) and subsidiaries (the Group) were incorporated in the Philippines and are registered with the Philippine Securities and Exchange Commission (SEC). The Parent Company was incorporated on October 15, 1993 and was originally organized to engage in the oil and gas exploration and development.

On April 30, 1997, the SEC approved the change in the primary purpose of the Parent Company to that of a holding company. The Parent Company's shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The Parent Company has the following subsidiaries:

<b>Company</b>	<b>Nature of Business</b>	<b>Date of Incorporation</b>	<b>Percentage of Ownership</b>
Aragorn Power and Energy Corporation (APEC)	Energy	January 6, 2005	97.6%
PRC-Magma Energy Resources Inc. (PRC - Magma)*	Energy	June 10, 2009	85%
APC Cement Corporation (APC Cement)	Manufacturing	November 15, 1994	100%
APC Energy Resources, Inc. (APCERI)	Mining	January 31, 2005	100%
APC Mining Corporation (APC Mining)	Mining	March 17, 2005	83.3%

*\*A direct subsidiary of APEC*

The registered office address of the Parent Company is G/F MyTown New York Bldg., General E. Jacinto St. cor. Capas St., Brgy. Guadalupe Nuevo, Makati City.

**Subsidiaries and Status of Operations**

The following is the status of operations of the Group:

a. Aragorn Power and Energy Corporation (APEC)

APEC was established to engage in renewable energy resource exploration, development and utilization

- Kalinga Geothermal Project

In 2008, APEC was granted a Geothermal Service Contract (GSC) by the Republic of the Philippines, through the Department of Energy (DOE), for the exploration, development and exploitation of geothermal resources covering a total area of 26,139 hectares located in the Province of Kalinga (the "Kalinga Geothermal Project" or "KGP"). The GSC was granted after a Certificate Precondition from the National Commission of Indigenous People, covering a major portion of the geothermal service area, was secured. The GSC was converted into a Geothermal Renewable Service Contract (GRESO) in March 2010 to avail of the incentives provided under the Renewable Energy (RE) Act of 2008. GRESO has a term of not exceeding 25 years (including the used term under the GSC) and renewable for not more than 25 years. The total period from pre-development stage to the development/commercial stage shall not exceed 50 years.

In November 2010, APEC and its partner Guidance Management Corporation (GMC) formed a partnership with AllFirst Kalinga Ltd. (AKL, formerly Chevron Kalinga Ltd.) in developing the geothermal area. The parties signed a Farm-out Agreement (FOA) which gives APEC and GMC the option to take an equity position of up to 40% in the geothermal project. The parties also signed a Joint Operating Agreement. Under the agreement, AKL will be responsible for the

exploration, development and operation of the steam field and power activities. As at December 31, 2023 and 2022, APEC and GMC each has 5% participation as provided under the FOA.

On August 13, 2018, APEC secured an extension of the GRESC exploration period from the DOE until September 23, 2020. On August 14, 2018, pursuant to Executive Order No. 30, the Energy Investment Coordinating Council (EICC), through the DOE, granted KGP a Certificate of Energy Project of National Significance (CEPNS) for Pre-Development Phase. The CEPNS entitles KGP to all the rights and privileges provided for under Executive Order No. 30 series 2017.

On September 18, 2018, AKL assigned its Farm-out interest, including all associated rights and obligations under the FOA, in favor of its affiliate, Allfirst Kalinga Holdings, Inc. (AKHI).

Through a letter dated December 28, 2018, the DOE gave KGP the clearance to undertake a system impact study (SIS) of its proposed 120 megawatts (MW) Kalinga Geothermal Project. The SIS of the KGP is currently on-going.

In 2019, KGP completed securing all the remaining necessary permits from the regulatory agencies (i.e. Department of Environment and Natural Resources (DENR) and National Water Resources Board (NWRB)), and maintained and complied with its commitments with each of the representative Council of Elders and Leaders (COEs) under the Memoranda of Agreements (MOAs) supporting the NCIP Certificates of Precondition. KGP has also engaged contractors and suppliers necessary for the construction of access roads, well pads, and well drilling activities.

With the completion of the negotiation for right-of-way, remaining regulatory permits, as well as the engagement of the needed contractors and suppliers, KGP has completed the construction of well pads and access roads, and continues to implement geo-hazard mitigation measures.

On October 12, 2019, the Project commenced drilling of the PAS-02 exploration well and ended drilling operations on April 21, 2020 after reaching a depth of 4,483 ft. (1,366 m MD) and being unable to drill further. Drilling operations encountered many challenges such as technical difficulties with the well amidst the severe impact dealt by the COVID-19 pandemic and the Enhanced Community Quarantine (ECQ) such as limitations to deployment of personnel and delivery of supplies, disruptions to the global supply chain, and reduction in work hours of personnel quarantined onsite to protect their health and safety. The results of the drilling still show promise, with very encouraging commercial temperatures at 568°F (298°C) despite tight permeability.

On October 13, 2020, APEC secured an extension of the GRESC exploration period from the DOE until October 12, 2022 with DOE recognizing the significant accomplishments of the project, the difficulties that the project encountered, and the need for further exploration given the results of drilling of PAS-02 with commercial temperature and encouraging chemistry.

On March 12, 2021, KGP re-commenced its geology, geochemical, and geophysical surveys (3G) which ended on June 7, 2021. The 3G intended to obtain additional information supporting the results of the PAS-02 exploration well and to refine and expand the Conceptual Model to ensure soundness of the geologic targets prior to resuming drilling operations. The campaign was successfully carried out with no incidents and within the timeline planned, despite the restrictions brought about by COVID-19 pandemic and the provincial and granular lockdowns imposed in Kalinga and in Metro Manila.

After the evaluation and study, the results of the 3G established the presence of multiple independent systems within the KGP prospect. Three potentially exploitable systems have been discovered located in the areas of Liwang, Caigutan, and Dananao. All three systems are located within the existing contract area. The KGP Conceptual Model was updated accordingly into an Integrated Resource Assessment (IRA) report and was submitted to the DOE on June 29, 2022.

On June 23, 2022, APEC secured a suspension of obligations under the GRESC recognizing the COVID-19 restrictions and the typhoons and landslides/rockslides incidents that occurred throughout 2020 as force majeure. Effectively, the suspension allows for consideration of the impacted days to be added to the GRESC exploration period moving the end date from October 12, 2022 to May 28, 2023.

On January 26, 2023, APEC secured from DOE its acknowledgement of the proposal for application for New Investment on the newly discovered potentially exploitable systems of Caigutan and Dananao as stated in the submitted and received IRA report. DOE provided guidance on proceeding with the New Investment and awarding of the new systems their own GSC as Southwest Kalinga Geothermal Power Project (SW KGPP).

On May 26, 2023, APEC applied for contract term extension for Kalinga Geothermal Renewable Energy Service Contract (GRESC 2010-03-024). On June 5, 2023, the GRESC was converted into GSC No. 2023-04-073 as a result of the request to apply for new investment on Southwest Kalinga, amending the contract area of GRESC No. 2010-03-024. This amended GSC has a pre-development and development term until July 1, 2033 and renewable for not more than 25 years. A new GSC 2023-07-074 via new investment was then awarded on July 7, 2023 for Southwest Kalinga. Southwest Kalinga GSC has a pre-development and development contract period of 25 years with a possible extension of another 25 years. The total period from pre-development stage to the development / commercial stage shall not exceed 50 years.

KGP also continues its operations and has maintained full engagement with the host LGUs and Communities. As at February 29, 2024, the consent of nine (9) out of eleven (11) ancestral domains has been secured covering 85% of the GRESC area. In addition, all of the Community Development (CD) Projects have been fully completed and turned over to the respective community beneficiaries. Most community projects completed include farm-to-market roads, barangay/tribal halls, chapels/churches, water works, drainage canals, rehabilitation of CIS, bridges, acquisition of backhoe, clinic, and ambulance. KGP has also provided various assistance to the community since the start of the COVID-19 pandemic such as provision of food packs, PPEs, antigen test kits, oxygen tanks, and vaccines.

KGP continues to provide scholarship grants and educational assistance to deserving youths from the eight (8) ancestral domains within its contract area. As at school year 2022-2023, KGP has already extended scholarships to 410 grantees and has produced 327 graduates in various courses, which includes 62 licensed professionals, scholarship accounts for 29% of CD Projects Expenditures. Five (5) scholar graduates in engineering and geology have been hired for the Project.

With the newly discovered potential systems and newly awarded GSC, the KGP intends to continue exploration activities, exploring the South West areas under the SW KGPP GSC upon awarding through further 3G surveys and eventual exploratory and appraisal drilling. To date, KGP is currently doing Information Education Communication campaigns within the new contract area and is expecting community engagement meeting on the first half of 2024 in preparation for the 3G surveys. Meanwhile, the approval of the contract term extension for the old GSC will lead to the continuation of exploration activities and eventual resumption of drilling operations within the existing and remaining contract area.

KGP involves the development of steam fields that can generate around 120 MW of new capacity, providing an additional source of clean, indigenous and reliable baseload power to the Luzon grid. A 120 MW geothermal project will approximately cost more than US\$300.0 million.

On January 15, 2020, APEC contributed US\$2.1 million (₱106.5 million) to AllFirst Kalinga Holdings Inc. (AKHI) equivalent to the 5% share of the US\$42.08 million appraisal drilling budget which includes construction of general facilities, roads, and pads, rig mobilization and

demobilization, well drilling, testing, resource feasibility study, other exploration capital (salaries and wages) and corporate social responsibility.

b. APC Energy Resources Inc. (APC Energy)

APC Energy was established to engage in exploration, development and utilization of renewable energy resources. APC Energy's Coal Operating Contracts with the DOE in both Masbate and Isabela were terminated in 2013 and 2015, respectively.

c. APC Mining Corporation (APC Mining)

APC Mining was organized to engage in mining, processing, manufacturing, buying and selling of all kinds of ores, metals and minerals. It was granted a minig permit for the exploration of chromite, copper and nickel deposits in Alubijid, Misamis Oriental. In 2013, APC Mining gave up its exploration permit because the area has low prospect for chromite, copper and nickel.

d. APC Cement Corporation (APC Cement)

APC Cement was established to engage in the manufacture of cement. As at December 31, 2023, the Company is still in the pre-operating stage.

e. PRC-Magma Energy Resources, Inc. (PRC Magma)

PRC Magma was established to engage in the business of exploration, development, and processing of renewable and non-renewable energy resources, including, but not limited to, wind power, solar power, hydropower, biofuels, biomass, and coal; exploration, mining and processing of metalliferous and non-metalliferous mineral and ore resources; trading and supply of energy and mineral resources; and generation of electric power using energy resources. In 2010, the PRC Magma was awarded a GRESC for Bontoc Mainit-Sadanga in Mountain Province and Buguias-Tinoc in Benguet and Ifugao Provinces. In 2015, the service contracts were terminated due to the delays in the implementation of the approved work program and failure to make any discovery before the end of the fifth (5th) Contract Year.

As at December 31, 2023 and 2022, the Group is still evaluating new business opportunities for its non-operating subsidiaries.

### Employees

APC Group Inc. had a total of 2 employees as of December 31, 2023.

## **MARKET INFORMATION**

The principal market where the registrant's common equity is traded is the **Philippine Stock Exchange, Inc.**

The high and low sales prices for each quarter within the last two fiscal years of registrant's common shares as quoted on the Philippine Stock Exchange are as follows:

	2024		2023		2022	
	High	Low	High	Low	High	Low
First Quarter	0.325	0.203	0.310	0.202	0.270	0.220
Second Quarter	-	-	0.240	0.211	0.255	0.195
Third Quarter	-	-	0.305	0.224	0.239	0.171
Fourth Quarter	-	-	0.246	0.211	0.208	0.171

The price information as of the close of the latest practicable trading date, May 20, 2024, is Php0.220.

As of May 20, 2024, APC Group, Inc.'s market capitalization on 7,504,203,997 outstanding shares in the PSE amounted to ₱1,650,924,879 based on the closing price of ₱0.220.

## SECURITY HOLDERS

As of April 30, 2024, Registrant had 586 shareholders of common equity. On the said date, the following were the Top 20 registered shareholders of the common equity of the Company:

### APC GROUP INC.

#### LIST OF TOP 100 STOCKHOLDERS

AS OF APRIL 30, 2024

RANK	NAME	TOTAL SHARES	PERCENTAGE (%)
1	PCD NOMINEE CORPORATION Filipino - 5,409,593,156 Non-Filipino - <u>415,461,509</u>	5,825,054,665	77.6239
2	DOMINION EQUITIES, INC.	340,000,000	4.5308
3	COMPACT HOLDINGS INC.	281,000,000	3.7446
4	INTEGRATED HOLDINGS INC.	180,000,000	2.3987
5	ELITE HOLDINGS INC.	168,500,000	2.2454
6	PARALLAX RESOURCES, INC.	165,722,334	2.2084
7	EQUINOX INTERNATIONAL RESOURCES CORPORATION	100,000,000	1.3326
8	RICHOLD INVESTOR CORP.	100,000,000	1.3326
9	EASTERN SEC. DEVT. CORP.	80,000,000	1.0661
10	GILT-EDGED PROPERTIES, INC.	68,616,665	0.9144
11	HEADLAND HOLDINGS CORP.	55,500,000	0.7396
12	EASTERN SEC. DEV. CORP.	23,869,114	0.3181
13	LIM SIEW KIM	18,000,000	0.2399
14	TAK CHANG INVESTMENTS CO. LTD.	18,000,000	0.2399
15	COSCOLLUELA, WILLIAM V.	10,000,000	0.1333
16	REYES, VICENTE O. ITF: PETER PAUL PHIL. COR	8,332,000	0.1110
17	DHARMALA SEC. (PHILS), INC	5,050,000	0.0673
18	SINGSON, EVELYN R. ITF: GILT-EDGED PROPERTIE	3,933,333	0.0524
19	CORPORATE INV. PHILS., INC	3,000,000	0.0400
20	SINGSON, EVELYN R. ITF: JAIME F. SINGSON	3,000,000	0.0400

## DIVIDENDS

Dividends shall be declared only from the surplus profit and shall be payable at such time and in such manner and in such amounts as the Board of Directors shall determine. No dividends shall be declared which would impair the capital of the Company. There is no legal restriction that limits or would likely limit the Company's ability to pay dividends, aside from its retained earnings available for such.

The Company has not declared any dividends on common stock since the time it was incorporated. The Company is not in a position to declare cash dividends because of its deficit.

## RECENT SALE OF UNREGISTERED OR EXEMPT SECURITIES

There was no recent sale of unregistered or exempt securities.

## FINANCIAL AND OTHER INFORMATION

### Financial Statements

The audited Consolidated Financial Statements and Supplementary Schedules for the year 2023 are filed as part of this Form 20-IS.



### **Changes in and Disagreement with Accountants on Accounting and Financial Disclosures**

No principal accountant or independent accountants of the registrant has resigned, was dismissed or has ceased to perform services during the two (2) most recent fiscal years or any subsequent interim period.

There have been no disagreements with any accountant or any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

### **External Audit Fees and Services**

1. The aggregate audit fees paid by the Company for professional services (excluding Value Added Tax) rendered by the external auditor for the audit of the Company's annual financial statements amounted to P250,000 in 2023 and P220,000 in 2022, respectively.
2. No other assurance and related services were rendered in 2023 and 2022.
3. No tax services were rendered by the external auditor in 2023 and 2022.
4. There were no other fees paid to the external auditor in 2023 and 2022.
5. The audit committee approved the policies and procedures of the above services. The Board of Directors has established an audit committee to provide oversight of the external audit function and review of the internal audit function of the company.

The Audit Committee has the responsibility to recommend an external auditor to be selected and appointed by the stockholders during each annual stockholder's meeting.

It reviews the audit coverage of the External Auditors and deliberates on their audit report prior to endorsement to the Board of Directors and presented to the stockholders for approval.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

### For The Financial Year Ended 2023 compared to Year Ended 2022

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31	Dec 31	Increase (Decrease)		2023	2022
	2023	2022	Amount	%	%	%
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	26,147,183	17,969,394	8,177,788	46%	10%	7%
Receivables	1,262,860	1,618,021	(355,161)	-22%	0%	1%
Prepayments	57,898	42,412	15,486	37%	0%	0%
Total Current Assets	27,467,941	19,629,827	7,838,114	40%	10%	8%
<b>Noncurrent Assets</b>						
Financial assets at fair value through other comprehensive income (FVOCI)	4,006,170	3,020,525	985,645	33%	1%	1%
Deferred exploration costs	218,054,455	218,054,455	-	0%	81%	84%
Investment properties	9,156,000	9,156,000	-	0%	3%	4%
Other noncurrent assets	10,305,292	9,769,625	535,667	5%	4%	4%
Total Noncurrent Assets	241,521,917	240,000,605	1,521,312	1%	90%	92%
	268,989,858	259,630,432	9,359,426	4%	100%	100%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	31,683,512	28,852,367	2,831,146	10%	12%	11%
Advances from a related party	79,978,631	79,978,631	-	0%	30%	31%
Total Current Liabilities	111,662,143	108,830,998	2,831,146	3%	42%	42%
<b>Noncurrent Liability</b>						
Retirement liability	3,948,342	3,481,207	467,135	13%	1%	1%
Total Liabilities	115,610,485	112,312,205	3,298,280	3%	43%	43%
<b>Equity Attributable to Equity Holders of the Parent Company</b>						
Capital stock	63,880,788	63,880,788	-	0%	24%	25%
Additional paid-in capital	144,295,958	144,295,958	-	0%	54%	56%
Treasury stock - at cost	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Deficit	(18,128,403)	(23,189,323)	5,060,920	-22%	-7%	-9%
Equity reserves	(192,501)	(1,219,434)	1,026,933	-84%	0%	0%
Total Equity Attributable to Equity Holders of the Parent Company	160,420,622	154,332,769	6,087,853	4%	60%	59%
Non-controlling interests	(7,041,249)	(7,014,542)	(26,707)	0%	-3%	-3%
Total Equity	153,379,373	147,318,227	6,061,146	4%	57%	57%
Total Liabilities and Equity	268,989,858	259,630,432	9,359,426	4%	100%	100%

The Group recorded consolidated assets of P269.0 million as at December 31, 2023, higher by 0.4% from P259.6 million in 2022. The main movements in the balance sheet are as follows:

- Cash and cash equivalents increased by 46% from P18.0 million as at December 31, 2022 to P26.1 million as at December 31, 2023. This increase is mainly due to proceeds from the settlement of a long-outstanding claim against Government Service Insurance System (GSIS) which acts as a surety to a supply agreement with a previous customer, cash earned as interest, dividend income and service fees. Partly, this increase was offset by payment of the Group's expenses.
- Receivables decreased by 22% from P1.6 million as at December 31, 2022 to P1.3 million as at December 31, 2023 due to collection of receivables from Philippine Geothermal Production Company, Inc.

- Prepayments increased by 37% from December 31, 2022 to December 31, 2023 due to advance payment of dues in Tagaytay Midlands.
- Financial assets at FVOCI increased by 33% as a result of the movement in stock prices of the shares held by the Parent Company as of December 31, 2023.
- Investment property pertains to land owned by the Parent Company located in Ginatillan, Cebu. There is no change in the value of remaining properties.
- Other noncurrent assets increased by 5% from December 31, 2022 to December 31, 2023 due to input vat on various services rendered.

### ***Liabilities***

Total liabilities as at December 31, 2023 of the Group amounted to ₱115.6 million, increased by 3% or ₱3.3 million versus liabilities as at December 31, 2022 mainly due to the legal fees related to the collection from GSIS and increase in the Parent Company's defined benefit obligation based on the latest actuarial valuation obtained by the Parent Company from a third party.

### ***Equity***

On August 9, 2017, the Parent Company's BOD approved the reduction of the par value of the Parent Company's capital stock from ₱1 par value per share to ₱0.01 par value per share. This was approved by the Parent Company's stockholders on September 27, 2017.

On February 20, 2020, the SEC approved the decrease in the authorized capital stock of the Parent Company from ₱20,000.0 million divided into 14,000.0 million common shares and 6,000.0 million preferred shares at ₱1.00 a share to ₱200.0 million divided into 14,000.0 million common shares and 6,000.0 million preferred shares both at ₱0.01 par value a share.

On February 20, 2020, the SEC approved the equity restructuring of the Parent Company primarily to write-off the Parent Company's deficit as at December 31, 2018 amounting to ₱7,793.8 million against the additional paid in capital of ₱7,938.1 million. Consequently, the remaining additional paid in capital of ₱144.3 million cannot be applied for future losses that may be incurred by the Parent Company without prior approval of the SEC.

This resulted in the following as at December 31, 2020:

- decrease in the Company's capital stock from ₱6,388.1 million to ₱63.9 million
- decrease in APIC from ₱1,613.9 million to ₱144.3 million
- decrease in deficit from ₱7,801.9 million to ₱13.9 million

Overall, stockholders' equity increased by 4% from ₱147.3 million in 2022 to ₱153.4 million in 2023 due to the net income obtained in 2023 amounting to ₱5.0 million and other comprehensive gains recognized in 2023 amounting to ₱1.0 million.

The Group does not foresee any cash flow problems during the next twelve months. The Group has enough cash to meet cash requirements in 2024.

There were no off-balance sheet transactions.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31	Dec 31	Increase (Decrease)		2023	2022
	2023	2022	Amount	%		
<b>INCOME</b>						
Interest	526,622	186,082	340,540	183%	4%	37%
Dividend	319,476	319,476	-	0%	2%	63%
Other Income	12,817,281	-	12,817,281	0%	94%	0%
	<b>13,663,379</b>	505,558	13,157,821	2603%	100%	100%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(8,436,907)</b>	(6,702,063)	(1,734,844)	26%	-62%	-
<b>GAIN ON SALE OF INVESTMENT PROPERTY</b>	-	5,309,000	(5,309,000)	-100%	0%	1050%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>5,226,472</b>	(887,505)	6,113,977	689%	38%	-176%
<b>PROVISION FOR CURRENT INCOME TAX</b>	<b>192,259</b>	-	192,259	0%	1%	0%
<b>NET INCOME (LOSS)</b>	<b>5,034,213</b>	(887,505)	5,921,718	667%	37%	-176%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>						
Unrealized gain (loss) on fair value changes of financial assets at FVOCI	985,645	286,155	699,490	244%	7%	57%
Remeasurement gain on retirement liability	41,288	243,738	(202,450)	-83%	0%	48%
	<b>1,026,933</b>	529,893	497,040	94%	8%	105%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>6,061,146</b>	(357,612)	6,418,758	1795%	44%	-71%
<b>Net Income (Loss) Attributable to:</b>						
Equity holders of the Parent Company	5,060,920	(866,495)	5,927,415	684%	37%	-171%
Non-controlling interests	(26,707)	(21,010)	(5,697)	27%	0%	-4%
	<b>5,034,213</b>	(887,505)	5,921,718	667%	37%	-176%
<b>Total Comprehensive Income (Loss) Attributable to:</b>						
Equity holders of the Parent Company	6,087,853	(336,602)	6,424,455	1909%	45%	-67%
Non-controlling interests	(26,707)	(21,010)	(5,697)	27%	0%	-4%
	<b>6,061,146</b>	(357,612)	6,418,758	1795%	44%	-71%

APC Group, Inc. and subsidiaries reported consolidated net income of P5.0 million for 2023, 667% higher than the P0.9 million net loss reported in the previous year.

### Revenue

The Group recorded revenues of P13.7 million for the year ended 2023, 2603% higher than the P0.5 million revenues recognized in 2022. This increase is brought about by the one-time proceeds from the settlement of a long-outstanding claim against GSIS which acts as a surety to a supply agreement with a previous customer and fee received from manpower services provided for growth projects. There is also a higher interest income from cash and money market placements for 2023 due to higher amount of cash.

### ***Costs and Expenses***

The Group recorded ₱8.4 million in costs and expenses for the year, 26% higher than the ₱6.7 million in 2022 due to legal fees attributed to the proceeds from the settlement of a long-outstanding claim against GSIS.

### ***Other Income (Loss)***

Other income of the Group in 2022 pertains to the ₱5.3 million gain in the sale of parcel of land with a carrying amount of ₱2.9 million for ₱8.2 million. There is no revaluation in 2023 and 2022.

### ***Other Comprehensive Income (Loss)***

Other comprehensive income of the Group represents fair value changes on financial assets at FVOCI and remeasurement losses on retirement liability. In 2023, there is ₱1.0 million unrealized gain on fair value changes of financial assets at FVOCI and ₱0.04 million remeasurement gain on retirement liability. Total other comprehensive gain for the year is at ₱1.0 which is ₱0.5 million higher than last year's gain of ₱0.5 million.

As of December 31, 2023, except for what have been mentioned in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period
- Any significant elements of income or loss from continuing operation
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- The Group does not foresee any liquidity problem over the next twelve (12) months.

### **PLAN OF OPERATION**

The Group will focus on the following directions in the next 12 months:

1. Continue with the development of its geothermal resources. Pursue the exploration work program for the Kalinga project.
2. Seek other renewable energy development investment opportunities.
3. Look into other revenue opportunities for the Group.

## KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Group. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1. **Return on Assets Ratio (ROA).** ROA is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings and is calculated by dividing the Group's annual earnings by its total assets.
2. **Return on Equity Ratio (ROE).** ROE measures how much profit is generated with the money shareholders have invested in the Group. It is expressed as a percentage and calculated by dividing net income by total stockholders' equity.
3. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Group in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Group's leverage position and is computed by dividing total liabilities with total stockholders' equity.
5. **Asset-to-Equity Ratio (AER).** AER is computed using total assets divided by the total stockholders' equity. This ratio shows the relationship of the total assets of the firm owned by shareholders and an indicator of the leverage used to finance the Group.

The table below shows the comparative figures of the key performance indicators for the period in review.

Financial Ratios	YTD	YTD
	31 December 2023	31 December 2022
Return on Assets Ratio	0.02	(0.00)
Return on Equity Ratio	0.03	(0.01)
Current Ratio	0.25	0.18
Debt to Equity Ratio	0.75	0.76
Asset to Equity Ratio	1.75	1.76

### Discussion on the key performance indicators

#### **Return on Assets Ratio**

The Group's ROA for 2023 increased from (0.00) in 2022 to 0.02 in 2023 due to the reported net income in 2023.

#### **Return on Equity Ratio**

The Group's ROE for 2023 increased from (0.01) in 2022 to 0.03 in 2023 due to the reported net income in 2023.

#### **Current Ratio**

Current Ratio increased from 0.18 in 2022 to 0.25 in 2023 due to the increase in cash from the settlement of a long-outstanding claim against GSIS.

#### **Debt to Equity Ratio**

There is a slight decrease in the Group's debt to equity ratio from 0.76 as of December 31, 2022 to 0.75 as of December 31, 2023 due to increase in equity caused by the net income recognized in 2023.

#### **Assets to Equity Ratio**

There is a slight decrease in the Group's assets to equity ratio from 1.76 as of December 31, 2022 to 1.75 as of December 31, 2023 due to increase in equity caused by the net income recognized in 2023.

#### **Key Variables and other Qualitative and Quantitative Factors**

The Group expects no material commitments for capital expenditures and expected funds in 2023. To the best of the Group's knowledge, aside from what has already been mentioned in the preceding, there are no known trends, events or uncertainties that will have a material impact on revenues; no significant elements of income or loss that did not arise from continuing operations aside from those disclosed in the Notes to the Audited Financial Statements; and no seasonal aspects with material effect on results of operations.

APC Group, Inc. and subsidiaries maintains sufficient cash balances to meet minimum operational requirements, as determined by management from time to time. Additional cash requirements are sourced from affiliates. To the best of the Group's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity

**For the Financial Year Ended 2022 compared to Year Ended 2021**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31	Dec 31	Increase (Decrease)		2022	2021
	2022	2021	Amount	%	%	%
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	17,969,394	13,976,898	3,992,496	29%	7%	5%
Receivables	1,618,021	2,643,369	(1,025,348)	-39%	1%	1%
Prepayments	42,412	15,940	26,472	166%	0%	0%
Total Current Assets	19,629,827	16,636,207	2,993,620	18%	8%	6%
<b>Noncurrent Assets</b>						
Financial assets at fair value through other comprehensive income (FVOCI)	3,020,525	2,734,370	286,155	10%	1%	1%
Deferred exploration costs	218,054,455	218,054,455	-	0%	84%	84%
Investment properties	9,156,000	12,048,000	(2,892,000)	-24%	4%	5%
Other noncurrent assets	9,769,625	9,605,057	164,568	2%	4%	4%
Total Noncurrent Assets	240,000,605	242,441,882	(2,441,277)	-1%	92%	94%
	259,630,432	259,078,089	552,343	0%	100%	100%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	28,852,367	28,141,965	710,402	3%	11%	11%
Advances from a related party	79,978,631	79,978,631	-	0%	31%	31%
Total Current Liabilities	108,830,998	108,120,596	710,402	1%	42%	42%
<b>Noncurrent Liability</b>						
Retirement liability	3,481,207	3,281,654	199,553	6%	1%	1%
Total Liabilities	112,312,205	111,402,250	909,955	1%	43%	43%
<b>Equity Attributable to Equity Holders of the Parent Company</b>						
Capital stock	63,880,788	63,880,788	-	0%	25%	25%
Additional paid-in capital	144,295,958	144,295,958	-	0%	56%	56%
Treasury stock - at cost	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Deficit	(23,189,323)	(22,322,828)	(866,495)	4%	-9%	-9%
Equity reserves	(1,219,434)	(1,749,327)	529,893	-30%	0%	-1%
Total Equity Attributable to Equity Holders of the Parent Company	154,332,769	154,669,371	(336,602)	0%	59%	60%
Non-controlling interests	(7,014,542)	(6,993,532)	(21,010)	0%	-3%	-3%
Total Equity	147,318,227	147,675,839	(357,612)	0%	57%	57%
Total Liabilities and Equity	259,630,432	259,078,089	552,343	0%	100%	100%

**Assets**

The Group recorded consolidated assets of P259.6 million as at December 31, 2022, higher by 0.2% from P259.1 million in 2021. The main movements in the balance sheet are as follows:

- Cash and cash equivalents increased by 29% from P14.0 million as at December 31, 2021 to P18.0 million as at December 31, 2022. This increase is mainly due to proceeds from the partial sale of land owned by the Parent Company located in Ginatilan, Cebu, cash earned as interest and dividend income. Partly, this increase was offset by payment of the Group's expenses.



- Receivables decreased by 39% from ₱2.6 million as at December 31, 2021 to ₱1.6 million as at December 31, 2022 due to collection of receivables from Allfirst Kalinga Holdings, Inc. and Philippine Geothermal Production Company, Inc.
- Prepayments increased by 166% from December 31, 2021 to December 31, 2022 due to advance payment of office rent.
- Financial assets at FVOCI increased by 10% as a result of the movement in stock prices of the shares held by the Parent Company as of December 31, 2022.
- Investment property pertains to land owned by the Parent Company located in Ginatillan, Cebu. Lot no. 335 valued at ₱2.9 million was sold for ₱8.2 million resulting to a gain on sale amounting to ₱5.3 million. There is no change in the value of remaining properties.

### ***Liabilities***

Total liabilities as at December 31, 2022 of the Group amounted to ₱112.3 million, increased by 1% or ₱0.9 million versus liabilities as at December 31, 2021 mainly due to the taxes payable related to the partial sale of land and increase in the Parent Company's defined benefit obligation based on the latest actuarial valuation obtained by the Parent Company from a third party.

### ***Equity***

On August 9, 2017, the Parent Company's BOD approved the reduction of the par value of the Parent Company's capital stock from ₱1 par value per share to ₱0.01 par value per share. This was approved by the Parent Company's stockholders on September 27, 2017.

On February 20, 2020, the SEC approved the decrease in the authorized capital stock of the Parent Company from ₱20,000.0 million divided into 14,000.0 million common shares and 6,000.0 million preferred shares with par value of ₱1 per share to ₱200.0 million divided into 14,000.0 million common shares and 6,000.0 million preferred shares both with par value of ₱0.01 per share.

On February 20, 2020, the SEC approved the equity restructuring of the Parent Company to wipe out the deficit as of December 31, 2018 amounting to ₱7,793.8 million against the additional paid in capital of ₱7,938.1 million provided that the remaining additional paid in capital of ₱144.3 million cannot be applied for future losses that may be incurred by the Company without prior approval of the SEC.

This resulted in the following as at December 31, 2020:

- decrease in the Company's capital stock from ₱6,388.1 million to ₱63.9 million
- decrease in APIC from ₱1,613.9 million to ₱144.3 million
- decrease in deficit from ₱7,801.9 million to ₱13.9 million

Overall, stockholders' equity decreased by 0.2% from ₱147.7 million in 2021 to ₱147.3 million in 2022 due to the incurred net loss in 2022 amounting to ₱0.9 million, offset by other comprehensive gains recognized in 2022 amounting to ₱0.5 million.

The Company does not foresee any cash flow problems during the next twelve months. The Company has enough cash to meet cash requirements in 2023.

There were no off-balance sheet transactions.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31	Dec 31	Increase (Decrease)		2022	2021
	2022	2021	Amount	%	%	%
<b>INCOME</b>						
Interest	186,082	142,092	43,990	31%	37%	37%
Dividend	319,476	259,129	60,347	23%	63%	63%
	505,558	401,221	104,337	26%	100%	100%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(6,702,063)	(8,949,492)	2,247,429	-25%	-1326%	-2231%
<b>GAIN ON SALE OF INVESTMENT PROPERTY</b>	5,309,000	-	5,309,000	0%	1050%	0%
<b>NET INCOME (LOSS)</b>	(887,505)	(8,548,271)	7,660,766	-90%	-176%	-2131%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>						
Unrealized gain (loss) on fair value changes of financial assets at FVOCI	286,155	(95,385)	381,540	-400%	57%	-24%
Remeasurement gain on retirement liability	243,738	3,491,033	(3,247,295)	-93%	48%	870%
	529,893	3,395,648	(2,865,755)	-84%	105%	846%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	(357,612)	(5,152,623)	4,795,011	-93%	-71%	-1284%
<b>Net Income (Loss) Attributable to:</b>						
Equity holders of the Parent Company	(866,495)	(8,419,648)	7,553,153	-90%	-171%	-2099%
Non-controlling interests	(21,010)	(128,623)	107,613	-84%	-4%	-32%
	(887,505)	(8,548,271)	7,660,766	-90%	-176%	-2131%
<b>Total Comprehensive Income (Loss) Attributable to:</b>						
Equity holders of the Parent Company	(336,602)	(5,024,000)	4,687,398	-93%	-67%	-1252%
Non-controlling interests	(21,010)	(128,623)	107,613	-84%	-4%	-32%
	(357,612)	(5,152,623)	4,795,011	-93%	-71%	-1284%

APC Group, Inc. and subsidiaries reported consolidated net income of ₱0.9 million for 2022, 90% lower than the ₱8.5 million net loss reported in the previous year.

### Revenue

The Group recorded revenues of ₱0.5 million for the year ended 2022, 26% higher than the ₱0.4 million revenues recognized in 2021. This increase is brought about by the higher interest income from cash and money market placements for 2022 due to higher amount of cash. Dividends received from the Parent Company's financial assets through FVOCI is also higher.

### ***Costs and Expenses***

The Group recorded ₱6.7 million in costs and expenses for the year, 25% lower than the ₱8.9 million in 2021 due to optimization of expenses, lower personnel costs and absence of filing fees and taxes realated to the increase in authorized capital stock of APEC.

### ***Other Income (Loss)***

Other income of the Group in 2022 pertains to the ₱5.3 million gain in the sale of parcel of land with a carrying amount of ₱2.9 million for ₱8.2 million. There is no revaluation in 2022 and 2021.

### ***Other Comprehensive Income (Loss)***

Other comprehensive income of the Group represents fair value changes on financial assets at FVOCI and remeasurement losses on retirement liability. In 2022, there is ₱0.3 million unrealized gain on fair value changes of financial assets at FVOCI and ₱0.2 million remeasurement gain on retirement liability. Total other comprehensive gain for the year is at ₱0.5 which is ₱3.2 million lower than last year's gain of ₱3.4 million.

As of December 31, 2022, except for what have been mentioned in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period
- Any significant elements of income or loss from continuing operation
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- The Group does not foresee any liquidity problem over the next twelve (12) months.

### **PLAN OF OPERATION**

The Group will focus on the following directions in the next 12 months:

1. Continue with the development of its geothermal resources. Pursue the exploration work program for the Kalinga project.
2. Seek other renewable energy development investment opportunities.
3. Look into other revenue opportunities for the Group.

## KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Group. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1. **Return on Assets Ratio (ROA).** ROA is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings and is calculated by dividing the Group's annual earnings by its total assets.
2. **Return on Equity Ratio (ROE).** ROE measures how much profit is generated with the money shareholders have invested in the Group. It is expressed as a percentage and calculated by dividing net income by total stockholders' equity.
3. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Group in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Group's leverage position and is computed by dividing total liabilities with total stockholders' equity.
5. **Asset-to-Equity Ratio (AER).** AER is computed using total assets divided by the total stockholders' equity. This ratio shows the relationship of the total assets of the firm owned by shareholders and an indicator of the leverage used to finance the Group.

The table below shows the comparative figures of the key performance indicators for the period in review.

Financial Ratios	YTD	YTD
	31 December 2022	31 December 2021
Return on Assets Ratio	(0.00)	(0.03)
Return on Equity Ratio	(0.01)	(0.06)
Current Ratio	0.18	0.15
Debt to Equity Ratio	0.76	0.75
Asset to Equity Ratio	1.76	1.75

### Discussion on the key performance indicators

#### **Return on Assets Ratio**

The Group's ROA for 2022 and 2021 are negative due to the reported net loss for both years. There is no significant movement in this ratio from 2021 to 2022.

#### **Return on Equity Ratio**

The Group's ROE for 2022 and 2021 are negative due to the reported net loss for both years. There is no significant movement in this ratio from 2021 to 2022.

#### **Current Ratio**

Current Ratio increased from 0.15 in 2021 to 0.18 in 2022 due to the increase in cash generated from the sale of parcel of land under investment property.

#### **Debt to Equity Ratio**

There is a slight increase in the Groups's debt to equity ratio from 0.75 as of December 31, 2021 to 0.76 as of December 31, 2022 due to recording of taxes payable related to the partial sale of land and increase in the Company's defined benefit obligation based on the latest actuarial valuation obtained by the Company from a third party.

#### **Assets to Equity Ratio**

There is a slight increase in the Group's assets to equity ratio from 0.75 as of December 31, 2021 to 0.76 as of December 31, 2022 due to increase in cash from partial sale of investment property and decrease in equity due to loss incurred for the year.

#### **Key Variables and other Qualitative and Quantitative Factors**

The Group expects no material commitments for capital expenditures and expected funds in 2022. To the best of the Group's knowledge, aside from what has already been mentioned in the preceding, there are no known trends, events or uncertainties that will have a material impact on revenues; no significant elements of income or loss that did not arise from continuing operations aside from those disclosed in the Notes to the Audited Financial Statements; and no seasonal aspects with material effect on results of operations.

APC Group, Inc. and subsidiaries maintains sufficient cash balances to meet minimum operational requirements, as determined by management from time to time. Additional cash requirements are sourced from affiliates. To the best of the Group's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity.

**Item 1. Financial Statements**

**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P 21,194,123	P 26,147,184
Trade and other receivables - net	1,305,354	1,262,857
Other current assets	90,955	57,898
Total Current Assets	22,590,432	27,467,939
<b>Noncurrent Assets</b>		
Investment property	9,156,000	9,156,000
Financial assets at fair value through other comprehensive income	5,277,970	4,006,170
Deferred exploration costs and other noncurrent assets	228,409,487	228,359,747
Total Noncurrent Assets	242,843,457	241,521,917
	P 265,433,889	P 268,989,856
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	P 27,884,410	P 31,683,513
Advances from a related party	79,978,631	79,978,631
Total Current Liabilities	107,863,041	111,662,144
<b>Noncurrent Liabilities</b>		
Accrued retirement costs	3,948,342	3,948,342
Total Noncurrent Liabilities	3,948,342	3,948,342
Total Liabilities	111,811,383	115,610,486
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock	63,880,788	63,880,788
Additional paid-in capital	144,295,958	144,295,958
Unrealized gain on financial assets at fair value through other comprehensive income	4,429,969	3,158,169
Remeasurement loss on defined benefit obligation	(210,435)	(210,435)
Equity reserves	(3,140,235)	(3,140,235)
Deficit	(19,153,148)	(18,128,405)
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)
Total Equity Attributable to Equity Holders of the Parent Company	160,667,677	160,420,620
<b>Equity Attributable to Non-controlling Interests</b>	<b>(7,045,170)</b>	<b>(7,041,249)</b>
Total Equity	153,622,506	153,379,371
	P 265,433,889	P 268,989,856

**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	2024		2023	
	1st Quarter (January to March)	Year-to-date (January to March)	1st Quarter (January to March)	Year-to-date (January to March)
<b>INCOME</b>				
Interest income	P 168,366	P 168,366	P 103,047	P 103,047
Dividend income	-	-	319,476	319,476
Other income	14,861	14,861	-	-
	183,227	183,227	422,523	422,523
<b>EXPENSES</b>				
General and administrative expenses	(1,211,594)	(1,211,594)	(1,119,292)	(1,119,292)
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(1,028,367)</b>	<b>(1,028,367)</b>	<b>(696,769)</b>	<b>(696,769)</b>
<b>Provision for income tax</b>	<b>(297)</b>	<b>(297)</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS) AFTER INCOME TAX</b>	<b>(1,028,664)</b>	<b>(1,028,664)</b>	<b>(696,769)</b>	<b>(696,769)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized loss on financial assets at fair value through other comprehensive income	1,271,800	1,271,800	31,795	31,795
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P 243,136</b>	<b>243,136</b>	<b>P (664,974)</b>	<b>(664,974)</b>
<b>Net Income (Loss) Attributable to:</b>				
Equity holders of the Parent Company	(1,024,743)	(1,024,743)	(692,036)	(692,036)
Non-controlling interests	(3,921)	(3,921)	(4,733)	(4,733)
	<b>(1,028,664) P</b>	<b>(1,028,664)</b>	<b>(696,769) P</b>	<b>(696,769)</b>
<b>Total Comprehensive Income (Loss) Attributable to:</b>				
Equity holders of the Parent Company	247,057	247,057	(660,241)	(660,241)
Non-controlling interests	(3,921)	(3,921)	(4,733)	(4,733)
	<b>243,136 P</b>	<b>243,136</b>	<b>(664,974) P</b>	<b>(664,974)</b>
<b>Basic/Diluted Income (Loss) Per Common Share</b>				
(P-1,024,743/7,504,203,997) March 31, 2024	P	(0.000137)		
(P-692,036/7,504,203,997) March 31, 2023			P	(0.000092)
<b>Weighted average number of common shares:</b>				
Total common shares		7,511,809,997		7,511,809,997
Less: Treasury shares		7,606,000		7,606,000
<b>Weighted average common shares</b>		<b>7,504,203,997</b>		<b>7,504,203,997</b>

**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<b>For the Three Months Ended March 31,</b>			
		<b>2024</b>	<b>2023</b>
		(Unaudited)	(Unaudited)
Authorized:			
Preferred stock - P0.01 par value		<b>6,000,000,000 shares</b>	6,000,000,000 shares
Common stock - P0.01 par value		<b>14,000,000,000 shares</b>	14,000,000,000 shares
Issued	P	59,981,491	P 59,981,491
Subscribed (net of subscription receivable)		3,899,297	3,899,297
<b>Capital stock</b>		<b>63,880,787</b>	63,880,787
<b>Additional paid-in capital</b>		<b>144,295,958</b>	144,295,958
<b>Unrealized gain/loss on financial assets at fair value through other comprehensive income</b>			
Balance at the beginning of period		3,158,169	2,172,524
Other comprehensive income		1,271,800	31,795
Balance at the end of period		<b>4,429,969</b>	2,204,319
<b>Remeasurement loss on defined benefit obligation</b>		<b>(210,435)</b>	(251,723)
<b>Equity Reserves</b>		<b>(3,140,235)</b>	(3,140,235)
<b>Deficit</b>			
Balance at the beginning of period		(18,128,405)	(23,189,328)
Net loss		(1,024,743)	(692,036)
Balance at the end of period		<b>(19,153,148)</b>	(23,881,364)
<b>Treasury shares - 7,606,000 shares</b>		<b>(29,435,220)</b>	(29,435,220)
<b>Minority interest</b>		<b>(7,045,170)</b>	(7,019,275)
	<b>P</b>	<b>153,622,506</b>	P 146,653,248



**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Three Months Ended March 31,			
	2024		2023	
	(Unaudited)		(Unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss after income tax	<b>P</b>	<b>(1,028,664)</b>	<b>P</b>	<b>(696,769)</b>
Adjustments for:				
Interest income		<b>(168,366)</b>		<b>(103,047)</b>
Dividend income		<b>-</b>		<b>(319,476)</b>
Operating loss before working capital changes		<b>(1,197,031)</b>		<b>(1,119,292)</b>
Decrease (increase) in:				
Trade and other receivables		<b>(42,497)</b>		<b>131,453</b>
Other current assets		<b>(33,057)</b>		<b>13,393</b>
Decrease in:				
Trade and other payables		<b>(3,799,103)</b>		<b>(857,744)</b>
Advances from a related party		<b>-</b>		<b>-</b>
Cash used in operations		<b>(5,071,688)</b>		<b>(1,832,190)</b>
Interest received		<b>168,366</b>		<b>103,047</b>
Dividends received		<b>-</b>		<b>319,476</b>
<b>Net cash used in operating activities</b>		<b>(4,903,321)</b>		<b>(1,409,667)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in deferred exploration costs and noncurrent assets		<b>(49,740)</b>		<b>(51,106)</b>
<b>Net cash used in investing activities</b>		<b>(49,740)</b>		<b>(51,106)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,953,061)</b>		<b>(1,460,773)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>26,147,184</b>		<b>17,969,392</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P</b>	<b>21,194,123</b>	<b>P</b>	<b>16,508,619</b>

## Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

### Consolidated Statements of Financial Position

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2024	2023
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P 21,194,123	P 26,147,184	(4,953,061)	-19%	8%	10%
Trade and other receivables - net	1,305,354	1,262,857	42,497	3%	0%	0%
Other current assets	90,955	57,898	33,057	57%	0%	0%
Total Current Assets	22,590,432	27,467,939	(4,877,507)	-18%	9%	10%
<b>Noncurrent Assets</b>						
Investment property	9,156,000	9,156,000	-	0%	3%	3%
Financial assets at fair value through other comprehensive income	5,277,970	4,006,170	1,271,800	32%	2%	1%
Deferred exploration costs and other noncurrent assets	228,409,487	228,359,747	49,740	0%	86%	85%
Total Noncurrent Assets	242,843,457	241,521,917	1,321,540	1%	91%	90%
	P 265,433,889	P 268,989,856	(3,555,967)	-1%	100%	100%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P 27,884,410	P 31,683,513	(3,799,103)	-12%	11%	12%
Advances from a related party	79,978,631	79,978,631	-	0%	30%	30%
Total Current Liabilities	107,863,041	111,662,144	(3,799,103)	-3%	41%	42%
<b>Noncurrent Liabilities</b>						
Accrued retirement costs	3,948,342	3,948,342	-	0%	1%	1%
Total Noncurrent Liabilities	3,948,342	3,948,342	-	0%	1%	1%
Total Liabilities	111,811,383	115,610,486	(3,799,103)	-3%	42%	43%
<b>Equity Attributable to Equity Holders of the Parent Company</b>						
Capital stock	63,880,788	63,880,788	-	0%	24%	24%
Additional paid-in capital	144,295,958	144,295,958	-	0%	54%	54%
Unrealized gain on financial assets at fair value through other comprehensive income	4,429,969	3,158,169	1,271,800	40%	2%	1%
Remeasurement loss on defined benefit obligation	(210,435)	(210,435)	-	0%	0%	0%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Deficit	(19,153,148)	(18,128,405)	(1,024,743)	6%	-7%	-7%
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Total Equity Attributable to Equity Holders of the Parent Company	160,667,677	160,420,620	247,057	0%	61%	60%
<b>Equity Attributable to Non-controlling Interests</b>	<b>(7,045,170)</b>	<b>(7,041,249)</b>	<b>(3,921)</b>	<b>0%</b>	<b>-3%</b>	<b>-3%</b>
Total Equity	153,622,506	153,379,371	243,136	0%	58%	57%
	P 265,433,889	P 268,989,856	(3,555,967)	-1%	100%	100%

As of March 31, 2024, consolidated assets of APC Group, Inc. and its subsidiaries (the Group) amounted to ₱265.4M million, ₱3.6 million (1%) lower compared to the December 31, 2023 balance of ₱269.0 million.

- Cash decreased due to the payment of legal fees amounting to ₱3.2 million which is a percentage of the proceeds from the settlement of a long-outstanding claim against GSIS last year, payment for 2023 financial audit amounting to ₱0.6 million, payment to PSE for this year's annual listing maintenance fee amounting to ₱0.3 million and payment of various G&A expenses amounting to ₱0.8 million.
- Other current assets increased by 57% from December 31, 2023 to March 31, 2024 due to advance payment of dues in Tagaytay Midlands.
- Financial assets at FVOCI increased by 32% as a result of the movement in stock prices of the shares held by the Parent Company as of March 31, 2024.

The Group's consolidated liabilities amounted to ₱111.8 million. The movement in this account pertains to the payment of the accrued and other payables.

Total equity as of March 31, 2024 and December 31, 2023 amounted to ₱153.6 million and ₱153.4 million, respectively. The increase, amounting to ₱0.2 million, is attributable to the unrealized gain on AFS offset by net loss incurred during the period.

There were no off-balance sheet transactions.

## Consolidated Statements of Comprehensive Income

	2024		2023		Horizontal Analysis		Vertical Analysis	
	1st Quarter (January to March)	Year-to-date (January to March)	1st Quarter (January to March)	Year-to-date (January to March)	Increase (Decrease) Amount	%	2024 %	2023 %
<b>INCOME</b>								
Interest income	P 168,366	P 168,366	P 103,047	P 103,047	65,320	63%	92%	24%
Dividend income	-	-	319,476	319,476	(319,476)	-100%	0%	76%
Other income	14,861	14,861	-	-	14,861	100%	8%	0%
	183,227	183,227	422,523	422,523	(239,296)	-57%	100%	100%
<b>EXPENSES</b>								
General and administrative expenses	(1,211,594)	(1,211,594)	(1,119,292)	(1,119,292)	(92,302)	8%	-661%	-265%
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(1,028,367)</b>	<b>(1,028,367)</b>	<b>(696,769)</b>	<b>(696,769)</b>	<b>(331,598)</b>	<b>48%</b>	<b>-561%</b>	<b>-165%</b>
<b>Provision for income tax</b>	<b>(297)</b>	<b>(297)</b>	<b>-</b>	<b>-</b>	<b>(297)</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
<b>NET INCOME (LOSS) AFTER INCOME TAX</b>	<b>(1,028,664)</b>	<b>(1,028,664)</b>	<b>(696,769)</b>	<b>(696,769)</b>	<b>(331,895)</b>	<b>48%</b>	<b>-561%</b>	<b>-165%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>								
Unrealized loss on financial assets at fair value through other comprehensive income	1,271,800	1,271,800	31,795	31,795	1,240,005	3900%	694%	8%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P 243,136</b>	<b>243,136</b>	<b>P (664,974)</b>	<b>(664,974)</b>	<b>908,110</b>	<b>-137%</b>	<b>133%</b>	<b>-157%</b>

The Group ended the 1st quarter of 2024 with total net loss of Php1.0 million. This higher net loss versus the loss incurred in the same period in 2023 is attributable to timing of dividend income from PLC.

Dividend income from PLC, which was declared and paid out earlier last year, contributed to bringing the Group's comprehensive loss to **₱1.0** million as of March 31, 2024.

As of March 31, 2024, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Groups's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- Material changes in the financial statements of the Group for the periods ended March 31, 2024 and March 31, 2023, except those mentioned above.

## KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Group. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1. **Return on Assets Ratio (ROA).** Return on Assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings and is calculated by dividing the Group's annual earnings by its total assets.
2. **Return on Equity Ratio (ROE).** Return on Equity measures how much profit is generated with the money shareholders have invested in the Company. It is expressed as a percentage and calculated by dividing net income by total Stockholders' Equity.
3. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Group in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Group's leverage position and is computed by dividing total liabilities with total stockholders' equity.

5. **Asset-to-Equity Ratio (AER).** Asset-to-Equity Ratio is computed using total assets divided by the total stockholders' equity. This ratio shows the relationship of the total assets of the firm owned by shareholders and an indicator of the leverage used to finance the Group.

The table below shows the comparative figures of the key performance indicators for the period in review.

	Current YTD	Previous Year	Previous YTD
	YTD	YTD	YTD
	March 31, 2024	December 31, 2023	March 31, 2023
Return on Assets Ratio	(0.00)	0.02	(0.00)
Return on Equity Ratio	(0.01)	0.03	(0.00)
Current Ratio	0.21	0.25	0.17
Debt to Equity Ratio	0.73	0.75	0.76
Asset to Equity Ratio	1.73	1.75	1.76

Discussion on the key performance indicators

**Return on Assets Ratio**

The Group's ROA as of March 31, 2024 and 2023 are negative due to the reported net loss for both years. There is no significant change in the ROA of the Company as of March 31, 2024 and 2023.

**Return on Equity Ratio**

The Group's and ROE as of March 31, 2024 and 2023 are negative due to the reported net loss for both years. It decreased from (0.00) as of March 31, 2023 to (0.01) as of March 31, 2024 due to higher net loss incurred this year.

**Current Ratio**

Current ratio decreased from 0.25 as of December 31, 2023 to 0.21 as of March 31, 2024 due to the decline in the cash balance of the Group as discussed above.

**Debt to Equity Ratio**

Debt to equity ratio decreased from 0.75 as of December 31, 2023 to 0.73 as of March 31, 2024 due to lower total liabilities this year.

**Assets to Equity Ratio**

Asset to equity ratio decreased from 1.75 as of December 31, 2023 to 1.73 as of March 31, 2024 due to lower total assets this year.

**Key Variables and other Qualitative and Quantitative Factors**

The Group expects no material commitments for capital expenditures and expected funds in 2024. To the best of the Group's knowledge, aside from what has already been mentioned in the preceding, there are no known trends, events or uncertainties that will have a material impact on revenues; no significant elements of income or loss that did not arise from continuing operations aside from those disclosed in the Notes to the Audited Financial Statements; and no seasonal aspects with material effect on results of operations.

APC Group, Inc. and subsidiaries maintains sufficient cash balances to meet minimum operational requirements, as determined by management from time to time. Additional cash requirements are sourced from affiliates. To the best of the Group's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity.

**PART II OTHER INFORMATION**

Other than what has been reported, no event has since occurred.

## ANNEX TO THE MD&A SECTION

### 1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively referred to as the “Group”):

Subsidiaries	Percentage of Ownership		
	Direct	Indirect	Total
Aragorn Power & Energy Corporation (APEC) <sup>(1)</sup>	97.6%	-	97.6%
PRC Magma Energy Resources Inc. (PRC-Magma) <sup>(2)</sup>	-	85.0%	85.0%
APC Cement Corporation (APC Cement) <sup>(2)</sup>	100.0%	-	100.0%
APC Energy Resources, Inc. (APC Energy) <sup>(2)</sup>	100.0%	-	100.0%
APC Mining Corporation (APC Mining) <sup>(2)</sup>	83.3%	-	83.3%

*(1) Still in exploration stage*

*(2) Still in the pre-operating stage*

### 2. RISK EXPOSURES

#### **Financial Risk Management**

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group’s objectives are achieved. The Group’s risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. It is also established to identify and manage the Group’s exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies.

Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the established business objectives. The BOD has overall responsibility for the establishment and oversight of the Group’s risk management framework. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Group.

The Group’s principal financial instruments comprise of cash and cash equivalents, receivables, security deposits, financial assets at FVOCI, trade and other payables (excluding statutory payables), and advances from a related party.

The main risks arising from the Group’s financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks. These are summarized below.

#### Credit Risk

Credit risk is the risk that the obligations of the Group will not be repaid on time and in full as contracted, resulting in a financial loss. It is inherent to the business as potential losses may arise due to the failure of its counter parties to fulfill their obligations on maturity dates or due to adverse market conditions.

Generally, the credit risk of the Group is attributable to financial assets at amortized cost. The Group maintains credit policies and continuously monitors defaults of customers and other counter parties, identified either individually or by group, and incorporate this information into its credit risk controls. Managing credit risk has both qualitative and quantitative aspects. Credit officers must evaluate the credit quality of the counterparties and assign internal credit ratings upon this evaluation.

The Group defines credit exposure as all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations based on original contractual terms. The Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. Credit risk from cash in banks is mitigated by transacting only with reputable banks duly approved by management.

## Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Group's credit standing.

The Group seeks to manage its liquid funds through cash planning on a weekly basis. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

## Equity Price Risk

The Group's investments in equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's BOD reviews and approves all equity investment decisions.

There is no material change in the financial risk exposures of the Parent Company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks on its March 31, 2024 interim financial statements compared to the December 31, 2023 audited consolidated financial statements of APC Group Inc. and subsidiaries.

## Fair value of Financial Instruments

A comparison by category of the carrying values and estimated fair values of the Groups's financial instruments that are carried in the consolidated financial statements as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans and receivables:				
Cash and cash equivalents*	21,144,123	21,144,123	26,097,184	26,097,184
Trade and other Receivables	1,305,354	1,305,354	1,262,857	1,262,857
Deposits**	23,821	23,821	23,821	23,821
AFS financial assets	5,277,970	5,277,970	4,006,170	4,006,170
<b>Total financial assets</b>	<b>27,751,268</b>	<b>27,751,268</b>	<b>31,390,032</b>	<b>31,390,032</b>
Financial liabilities -				
Other financial liabilities:				
Trade and other payables***	27,808,172	27,808,172	31,616,338	31,616,338
Advances from related parties	79,978,631	79,978,631	79,978,631	79,978,631
<b>Total current financial liabilities</b>	<b>107,786,803</b>	<b>107,786,803</b>	<b>111,594,969</b>	<b>111,594,969</b>

\* Excluding cash on hand amounting to ₱50,000 as at March 31, 2024 and ₱50,000 as of December 31, 2023

\*\* Included in "Other noncurrent assets" account

\*\*\*Excluding statutory liabilities.

## Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables and Advances from Related Parties

Due to the short-term nature of the transactions, the carrying values approximate the fair values at reporting dates.

## Financial Assets at FVOCI

The fair values of quoted equity securities were determined by reference to market bid quotes as at reporting dates.

### Deposits and Subscription Payable

Due to non-availability of definite payment terms, there is no reliable source of fair values as at reporting dates.

The following tables provide the fair value measurement hierarchy of the Group's assets and liabilities as at March 31, 2024 and December 31, 2023:

<b>March 31, 2024</b>					
	<b>Total</b>		<b>Level 1</b>		<b>Level 3</b>
Assets measured at fair value:					
Investment properties	<b>P</b>	<b>9,156,000</b>	<b>P</b>	<b>–</b>	<b>P 9,156,000</b>
Financial assets at FVOCI		<b>5,277,970</b>		<b>5,277,970</b>	<b>–</b>
Total financial assets	<b>P</b>	<b>14,433,970</b>	<b>P</b>	<b>5,277,970</b>	<b>P 9,156,000</b>
<b>December 31, 2023</b>					
	<b>Total</b>		<b>Level 1</b>		<b>Level 3</b>
Assets measured at fair value:					
Investment properties	<b>P</b>	<b>9,156,000</b>	<b>P</b>	<b>–</b>	<b>P 9,156,000</b>
Financial assets at FVOCI		<b>4,006,170</b>		<b>4,006,170</b>	<b>–</b>
Total financial assets	<b>P</b>	<b>13,162,170</b>	<b>P</b>	<b>4,006,170</b>	<b>P 9,156,000</b>

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements during the period ended March 31, 2024 and year ended December 31, 2023.

### **3. OTHER REQUIRED DISCLOSURES**

- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial Statements for the period ended December 31, 2023.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuance, repurchase and repayments of debt and equity securities.
- E.) There were no material events that occurred subsequent to March 31, 2024 and up to the date of this report that need disclosure herein.
- F.) There were no changes in the composition of the Group during the interim period such as business combinations, acquisition or disposals of subsidiaries and long-term investments, restructuring and discontinued operations.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2023 and as of March 31, 2024.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

## FINANCIAL STATEMENTS

The Audited Financial Statements and Supplementary Schedules for the year 2023 are filed as part of Form 17A.

### APC GROUP AND SUBSIDIARIES

#### INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES FORM 17-A, Item 7

#### Consolidated Financial Statements

Statement of Management's Responsibility for Consolidated Financial Statements	Report
Independent Auditors' Report	
Consolidated Statements of Financial Position as of December 31, 2023 and 2022	CSFP
Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021	CSCI
Consolidated Statements of Changes in Equity for the years ended December 31, 2023, 2022 and 2021	CSCE
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	CSCF
Notes to Consolidated Financial Statements	NCFS

#### Supplementary Schedules

Report of Independent Auditors on Supplementary Schedules:	
I. Map of the Relationships of the Companies within the Group	Attached
II. Supplementary Schedules Required by Paragraph 6D, Part II of SRC Rule 68, as Amended (2011)	
A. Financial Assets	Attached
B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)	Attached
C. Amount Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Attached
D. Long-term Debt	Not Applicable
E. Indebtedness to Related Parties	Attached
F. Guarantees of Securities of Other Issuers	Not Applicable
G. Capital Stock	Attached
III. Financial Ratios – Key Performance Indicators	Attached
IV. Schedule of all the effective standards and interpretation	Attached
V. Reconciliation of Retained Earnings Available for Dividend Declaration	Not Applicable



## Compliance with Corporate Governance Practices

### Corporate Objectives

The Board establishes the corporate objectives, which are as follows:

To create opportunities for growth through strategic and viable investments and to enhance shareholder value for APC's partners and investors; and

To promote mutually beneficial relationship with all the stakeholders that is grounded on transparency, integrity and respect and to enhance the quality of life of the communities it serves.

Participation in activities that develop the quality of life in the communities it serves through scholarship and other programs for ancestral domains.

The Company remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

### Board Attendance

Regular meetings of the Board are scheduled before the beginning of the year and are held at least six (6) times annually. Special meetings may also be called by the Chairman, the President or Corporate Secretary. A director's absence or non-participation in more than fifty percent (50%) of all meetings in a year is a ground for temporary disqualification in the succeeding election. During 2023, each of the Company's directors have complied with the requirements.

The schedules for the 2024 Board and Committee meetings were approved by the Board in November 2023.

Below table shows the attendance of each board member in the meetings conducted during the year:

**APC | Summary of 2023 Board of Directors' Meetings**

Board of Directors	9-Feb-23	20-Apr-23	22-Jun-23 <sup>1</sup>	22-Jun-23 <sup>2</sup>	3-Aug-23	9-Nov-23
Ocier, Willy	✓	✓	✓	✓	✓	✓
Aguirre, Ian Jason R.	✓	✓	✓	✓	✓	✓
Alunan, Rafael M. III (ID)	✓	✓	✓	✓	✓	✓
Ongsip, Jackson T.	✓	✓	✓	✓	✓	✓
Tan, Emundo L.	✓	✓	✓	✓	✓	✓
Tiu, Jerry C. (ID)	✓	✓	✓	✓	✓	✓
Yap, Virginia A.	✓	✓	✓	✓	✓	✓

<sup>1</sup> - Annual Stockholders' Meeting

<sup>2</sup> - Board Organizational Meeting

### Board Performance Evaluation

The Company, through its Corporate Governance Committee, conducts annual performance evaluations of the Board of Directors, its individual members and Board Committees to ensure optimum Board performance. The evaluation seeks to assess the effectiveness and collective performance of the Board through a self-assessment in this evaluation process. In this evaluation process, the directors identify the areas for improvement, such as:

- the timelines and integrity of information given to them,
- Directors' access to management, the Corporate Secretary and Board Advisors, and
- Other form of assistance as needed. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues raised.

The details Board Evaluation Form can be found in the Company's website. Directors are asked to rate the performance of the collective Board, the Board, Committees, themselves as directors, the Company's Chairman of the Board, the Chief Executive Officer, and key officers.

Criteria for Board and Management ratings are as follows:

1. Collective Board Rating – relates to:

- Board Composition – related to how the Board members assess the Board as a whole based on their balance/diversity, knowledge/competencies, qualifications/background and experience;
- Board Efficiency and Importance – related to how the Board members assess the Board's overall performance, oversight over Management's activities, discussion on short- and long-term goals, business strategies and plans, risk and regulation, follow up of business plan and strategy, objective and budget, promotion of good governance principles, policies and mechanisms, and promotion of continuing education and/or training;
- Board Meetings and Participation – relates to how Board members assess frequency of Board meetings, if they were given chance to fully and positively participate, were provided quality materials and sufficient time for study, provided easy and timely access to information or inputs and whether there is efficient use of the time allocated for each meeting.

2. Board Committee Rating – relates to how the Committee members and Management rate the performance of the following Committees for the past year;

- Executive Committee
- Audit Committee
- Risk Oversight Committee
- Corporate Governance Committee
- Related Party Transactions Committee
- Compensation and Remuneration Committee

2. Individual Directors' Self-rating – related to how the Directors assess their independence, participation and expertise

3. Officers Rating – relates to how well the Chairman of the Board and the President/CEO demonstrates leadership, integrity, diligence and adherence to corporate governance principles and practices as well as the assessment of the following key officers for their over-all performance:

- Chief Audit Executive
- Chief Risk Officer
- Compliance Officer

The Board reviews the results of this evaluation and greed on clear action plans to address any issues raised. In line with governance best practices, the Company also ensures that board evaluations shall be facilitated by a third-party independent assessor every three (3) years reckoned from January 1, 2017 (effectivity date of the 2016 Code of Corporate Governance for Publicly Listed Companies).

The annual performance evaluations of the Board, its individual members and Board Committees for 2023 performance was conducted within the first quarter of 2024. The results of the evaluation, which found the Board to be functioning well to its mandate, will be discussed and presented to the Board through the Corporate Governance Committee. The appraisal form that was used for such is found in the company website:

<https://www.apcaragorn.net/wp-content/uploads/APC-Board-Eval-Form-2022.pdf>

### **Continuing Education Programs**

The Board identifies areas of continuing education on corporate governance topics they require. To keep the Board and key officers well-informed of governance-related developments, regular annual education programs are conducted in coordination with SM Investments Corporation and training providers duly accredited by the SEC. The Directors and key officers of the Company had their annual training in 2023 as shown below:

Director			Position	Training Date	Training Provider	Topics Discussed
Ocier	Willy	N.	Chairman	October 16, 2023, Monday	Institute of Corporate Directors	Global Economic and Geopolitical Outlook / Business Trends and Insights / Generative A.I. and Cybersecurity
Aguirre	Ian Jason	R.	President, CEO			
Ongsip	Jackson	T.	Non Executive Director			
Tan	Edmundo	L.	Non Executive Director			
Tiu	Jerry	C.	Independent Director			
Yap	Virginia	A.	Non Executive Director	December 13, 2023, Wednesday	Institute of Corporate Directors	Risk Management in the Post-Covid Age
Alunan	Rafael III	M.	Lead Independent Director			

## Manual on Corporate Governance

In compliance with the initiative of the SEC, APC submitted its Revised Manual on Corporate Governance (the “Revised Manual”) to the SEC. The Revised Manual institutionalizes the principles of good corporate governance in the entire Company. APC believes that corporate governance, the framework of rules, systems and processes governing the performance of the Board and Management of their respective duties and responsibilities, and from which the organization’s values and ethics emerge, is of utmost importance to the Company’s shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government and community in which it operates. The Company undertakes every effort possible to create awareness throughout the entire organization.

The Board approved on November 5, 2021 the Revised Corporate Governance Manual and has been posted in the Company’s website:

<https://www.apcaragorn.net/wp-content/uploads/11052021-SEC-Acceptance-of-Revised-Manual-on-Corporate-Governance.pdf>

## Board Committees

Even prior to the submission of its Manual, the Company already created various Board-level committees. These committees were comprised of:

1. The Executive Committee – to oversee the management of the Company and is responsible for the Company’s goals, finances and policies;
2. Audit Committee – to review financial and accounting matters;
3. Compensation and Remuneration Committee – to look into an appropriate remuneration system;
4. Risk Oversight Committee – to review the policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks;
5. Related Party Transactions Committee – to assess material agreements with related parties to ensure that the RPT are conducted at market rates and on an arm’s length basis; and
6. Corporate Governance Committee – to assist and advise the Board in performing corporate governance compliance responsibilities in relation with the Company’s Revised Manual on Corporate Governance, the Philippine Code of Corporate Governance, and the disclosure rules of the SEC and the PSE.
  - Nomination Committee – for the selection and evaluation of qualifications of directors and officers. On May 9, 2018, the Nomination Committee was merged with the Corporate Governance Committee.

Each of the above is guided by their respective Committee Charters that indicates the purpose, composition, duties and responsibilities. The Board Committee Charters are reviewed annually.

## Risk Oversight Committee

The Company has adopted a risk management policy that establishes a culture of disclosing, evaluating and managing risks, from the Board and throughout the organization toward achieving its goals and objectives, which include, among others, the protection and preservation its employees' and clients' safety and welfare, the value and condition of its properties and assets, and its local and global reputation. The Company aligns its risk appetite with its long-term strategic objectives.

The Risk Oversight Committee (ROC) evaluates the effectiveness of the Company's risk management system on an annual basis. The Board of Directors, through the ROC, has reviewed the Company's risk management system for 2023 and has found the same effective and adequate.

## The Audit Committee

The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls. To facilitate their review, the Committee understands and evaluates the scope of the internal and external auditors' review of internal controls over financial reporting, and obtains regular reports on significant findings and recommendations, together with management's responses, to obtain reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.

The Board of Directors, through the Audit Committee, has reviewed the effectiveness of the Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms are in place, implemented and properly complied with for the year 2023.

Below is the list of Board Committee meetings in 2023:

### APC | 2023 Executive Committee Meeting

Executive Committee	9-Feb-23
Chairman	Ocier, Willy N.
Member	Aguirre, Jason R.
Member	Yap, Virginia A.

### APC | 2023 Audit Committee Meetings

Audit Committee	9-Feb-23	20-Apr-23	3-Aug-23	9-Nov-23
Chairman (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III
Member	Ongsip, Jackson T.	Ongsip, Jackson T.	Ongsip, Jackson T.	Ongsip, Jackson T.
Member (ID)	Tiu, Jerry C.	Tiu, Jerry C.	Tiu, Jerry C.	Tiu, Jerry C.

### APC | 2023 Corporate Governance Committee Meetings

Corporate Governance Committee	9-Feb-23	20-Apr-23	9-Nov-23
Chairman (ID)	Jerry C. Tiu	Jerry C. Tiu	Jerry C. Tiu
Member (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III	Alunan, Rafael M. III
Member	Ongsip, Jackson T.	Ongsip, Jackson T.	Ongsip, Jackson T.

### APC | 2023 Compensation and Remuneration Committee Meeting

Compensation and Remuneration Committee	9-Feb-23
Chairman	Ocier, Willy N.
Member	Tan, Edmundo L.
Member	Yap, Virginia A.

### APC | 2023 Risk Oversight Committee Meetings

Risk Oversight Committee	9-Feb-23	9-Nov-23
Chairman	Ongsip, Jackson T.	Ongsip, Jackson T.
Member (ID)	Tiu, Jerry C.	Tiu, Jerry C.
Member (ID)	Alunan, Rafael M. III	Alunan, Rafael M. III

### APC | 2023 Related Party Transactions Committee Meeting

Related Party Transactions Committee	9-Feb-23
Chairman (ID)	Tiu, Jerry C.
Member	Ongsip, Jackson T.
Member (ID)	Alunan, Rafael M. III

ID - Independent Director

### **Code of Business Conduct and Ethics**

The Company remains committed to align with the best corporate governance practices following the release of the 2016 Code of Corporate Governance for Publicly-Listed Companies. In addition to the Revised Manual, the Company's Code of Business Conduct and Ethics (CBCE) defines good governance, ethics and compliance practices expected throughout the organization. The Revised Manual and CBCE are communicated to directors, officers and employees to ensure familiarity and adherence. These documents are also made public through the Company's website.

### **Governance Policies**

Corporate policies on governance were developed, submitted to and approved by the Board to protect the interests and rights of the shareholders and stakeholders and to promote transparency and accountability. Such governance related policies are shown below and may be viewed through the APC Corporate website: <https://www.apcaragorn.net/corporate-governance/company-policies/> These policies and procedures are initially cascaded throughout the organization via email blast, intranet portal and annual corporate governance trainings. The Board, through its various Board Committees, ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

1. Accountability, Integrity and Vigilance (Whistle-Blowing)
2. Alternative Dispute Resolution
3. Board Diversity
4. Conflict of Interest
5. Corporate Disclosures
6. Directors' Board Seats Held in Other Companies
7. Employees' Safety, Health and Welfare
8. Gifts / Hospitality / Entertainment
9. Insider Trading
10. Related Party Transactions
11. Succession Planning and Retirement Age for Directors and Key Officers
12. Tenure of Independent Directors
13. Vendor Accreditation and Selection
14. Material Related Party Transactions

### **Alternative Dispute Resolution**

A neutral third party participates to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit.

Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties. There were no conflicts between the corporation and its stockholders, the corporation and third parties, and the corporation and regulatory authorities, for the last three years.

### **Board Diversity**

The Corporate values and promotes a diversity policy in the composition of our Board to reinforce its effectiveness in providing strategic direction, oversight and compliance with laws and regulations.

Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers. Diversity will foster critical discussion and promote balanced decisions by the Board by utilizing the difference in perspective of its directors.

APC Board Skill Set Matrix				INDUSTRY EXPERIENCE / EXPERTISE / COMPETENCIES																		
NAME and DESIGNATION	AGE	GEN DER	EDUCATIONAL BACKGROUND	Accounting / Audit	Anti-Money Laundering	Banking	Corp. Gov.	Economics	Finance	Hospitality / Leisure	IT / Comm	Insurance	Investment	Internal Control	Law	Management	Manufacturing	Mining	Real Estate	Retail	Risk Management	Sales Mktg
Willy N. Ocier Chairman	64	M	Bachelor of Arts in Economics				✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓
Ian Jason R. Aguirre President and CEO Executive Director	45	M	Bachelor of Science in Industrial Engineering Master in Business Management	✓	✓		✓	✓	✓				✓	✓		✓		✓	✓	✓		
Jackson T. Ongsip Non-Executive Director	47	M	Bachelor of Science in Accountancy	✓	✓		✓	✓	✓	✓			✓			✓			✓	✓	✓	
Edmundo L. Tan Director	74	M	Bachelor of Arts Degree Bachelor's Degree in Law		✓	✓	✓		✓			✓			✓	✓		✓				
Virginia A. Yap Director	69	F	Bachelor of Science Degree Commerce, Accounting Major	✓			✓	✓	✓	✓		✓		✓		✓			✓		✓	
Rafael M. Alunan III Lead Independent Director	72	M	Master in Business Administration-Senior Executive Program and Public Administration	✓			✓			✓			✓							✓	✓	✓
Jerry C. Tiu Independent Director	67	M	Bachelor of Science - Commerce major in Marketing	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓			✓		✓	✓

### Directors' disclosures on self-dealing and related party transactions.

All business decisions and actions must be based on the best interests of the Company and not motivated by personal considerations or relationships which may interfere with the exercise of independent judgment.

The Company aims to conduct business in accordance with the highest standards of business ethics. To this end, all business dealings should be compliant with all applicable laws and must not in any way compromise the good name and reputation of the Company.

All Directors, Officers and Employees shall act with utmost integrity and shall not engage in unfair dealing practices. The Company prohibits any conflict of interest, unfair competition, breach of trust, insider trading, or any other act inimical to the Company's interest.

All Directors, Officers and Employees are required to disclose in writing to the Management, within forty- eight (48) hours, any financial or personal interest in any transaction involving the Company to ensure that potential conflicts of interest are brought to the attention of Management.

Directors shall inhibit themselves from participating in any discussion, deliberation and decision-making concerning any issue or transaction where they may be conflicted.

The Company shall not extend loans to Directors and Officers unless these grants are conducted at arms- length basis and at prevailing market rates.

Directors, Officers and Employees are prohibited from buying or selling (trading) shares of stock of APC Group, Inc. using material non-public information and obtained by reason of position, contact within or other relationship with the Company. They are also prohibited from passing on such information to someone else who then buys or sells the Company's shares of stock.

Trading Restriction Period – Directors, Officers and Employees and covered persons mentioned above are prohibited from trading in APC Group, Inc. shares within the period five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results and any other material information.

This is pursuant to Section 13.2 of the PSE Disclosure Rules – “A Director or Principal Officer of an Issuer must not deal in the Issuer’s securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclosed.”

Reporting Requirements – Directors, Officers and Employees are required to report to the governance, Corporate Affairs and Investor Relations (GCAIR) Department all dealings in APC Group, Inc. shares within three (3) business days from the date of trading. All Directors and Key Officers covered by the SEC and PSE’s reporting requirements with regard to their shareholdings in the Company shall do so immediately and correctly.

APC also prohibits its directors, officers, and employees from using privileged corporate information for personal gain. Trading/ownership of Company shares as of December 31, 2023 is shown below:

Name of Director / Officer	Number of Shares held as of 12.31.2022	Acquisition (+)	Disposition (-)	Number of Shares held as of 12.31.2023	% of Ownership
Willy N. Ocier	2,207,001	-	-	2,207,001	0.03
Ian Jason R. Aguirre	-	-	-	1	0
Rafael M. Alunan III	1	-	-	1	0
Jackson T. Ongsip	1	-	-	1	0
Edmundo L. Tan	234,701	-	-	234,701	0
Jerry C. Tiu	-	-	-	487,001	0.01
Virginia A. Yap	10,001	-	-	10,001	0
	<b>2,451,705</b>	<b>-</b>	<b>-</b>	<b>2,938,707</b>	<b>0.04</b>

**For governance-related issues or concerns, stakeholders may refer to:**

Governance and Corporate Affairs Department 5th Floor Tower A, Two E-com Center  
Palm Coast Avenue, Mall of Asia Complex Pasay City 1300 Philippines  
Tel.No.:(632) 8662-8888  
Email: [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com)

The Company, through its Chief Compliance Officer, stresses its compliance with applicable laws and adherence to ethical practices as stated in the CBCE and the Revised Manual. APC is not aware of any non-compliance with the Revised Manual by any of its directors, officers or employees.

## **CERTIFICATION**

### **UNDERTAKING TO PROVIDE COPIES OF THE INFORMATION STATEMENT AND THE ANNUAL REPORT**

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 ANNUAL REPORT ON SEC FORM 17-A WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

**ATTY. RICHARD ANTHONY D. ALCAZAR**

Corporate Secretary

**Tan Acut Lopez & Pison Law Offices**

23<sup>rd</sup> Floor East Tower, Tektite Towers, Centre

Exchange Road, Ortigas Center

Pasig City 1605



## 2024 ANNUAL STOCKHOLDERS’ MEETING

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

The 2024 Annual Stockholders’ Meeting (ASM) of APC Group, Inc. (“APC” or the “Company”) will be held on June 28, 2024, Friday, at 1100 A.M. and the Board of Directors of the Company has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on May 31, 2024 (“Record Date”) as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote at such meeting and any adjournment thereof.

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

**Registration Period:** The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until June 25, 2024, 12:00 P.M. via [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com) and by submitting the following requirements and documents, subject to verification and validation:

1. Individual Stockholders

- 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder (up to 2MB)
- 1.2. Stock certificate number
- 1.3. Active e-mail address/es
- 1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts

- 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders (up to 2MB)
- 2.2. Stock certificate number/s
- 2.3. Active e-mail addresses of the stockholders
- 2.4. Active contact numbers, with area and country codes
- 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders

- 3.1. Digital 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
- 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
- 3.3. Active e-mail address/es of the authorized representative
- 3.4. Active contact number of authorized representative, with area and country codes

4. PCD Participants/Brokers

- 4.1. Digital 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
- 4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker
- 4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
- 4.4. Active e-mail address/es of the authorized representative
- 4.5. Active contact number of authorized representative, with area and country codes

### **Online Voting**

Stockholders who have successfully registered and validated shall be provided by a ballot with a brief description of each item for stockholders' approval are appended as Annex A to the Notice of Meeting.

A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.

For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

*Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors for APC Group, Inc. ) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.*

### **ASM Livestream**

The ASM will be broadcasted live and stockholders who have successfully registered and validated can participate via remote communication. Details of the meeting will be sent to stockholders in the emails provided to the Company.

Video recordings of the ASM will be adequately maintained by the Company and will be made available to participating stockholders upon request.

### **Open Forum**

During the virtual meeting, the Company will have an Open Forum, during which, the meeting's moderator will read and where representatives of the Company shall endeavor to answer as many of the questions and comments received from stockholders as time will allow.

Stockholders may send their questions in advance by sending an email bearing the subject "ASM 2024 Open Forum" to [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com) on or before June 25, 2024. A section for stockholder comments/questions or through a "Q&A" button shall also be provided in the livestream platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Company's Investor Relations.

***For any concerns, please contact the Company's Governance and Corporate Affairs Department at (+632) 8662-8888 or via email at [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com).***

***For complete information on the annual meeting, please visit <http://www.apcaragorn.net/>.***

**DRAFT ONLY – FOR APPROVAL BY STOCKHOLDERS**

**MINUTES OF THE STOCKHOLDERS’ MEETING OF**

**APC GROUP, INC.**

Held 22 June 2023 at 11:00 a.m.  
Via Webinar (Zoom) link

**DIRECTORS PRESENT:**

WILLY N. OCIER	Chairman of the Board Director Chairman, Executive Committee Chairman, Compensation and Remuneration Committee
IAN JASON R. AGUIRRE	President & CEO Director Member, Executive Committee
JACKSON T. ONGSIP	Director Chairman, Risk Oversight Committee Member, Audit Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee
RAFAEL M. ALUNAN III	Lead Independent Director Chairman, Audit Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee Member, Risk Oversight Committee
EDMUNDO L. TAN	Director Member, Compensation and Remuneration Committee
VIRIGINIA A. YAP	Director Member, Executive Committee Member, Compensation and Remuneration Committee
JERRY C. TIU	Independent Director Chairman, Corporate Governance Committee Chairman, Related Party Transactions Committee Member, Audit Committee Member, Risk Oversight Committee

**ALSO PRESENT:**

NICOLE BERNADETTE M. DULAY MICHELLE T. HERNANDEZ	Asst. Corporate Secretary Contact for Stakeholders’ Concerns/ Chief Risk Officer
MS. MARIE JOY T. CO MS. CRISTINA CASTRO NAGUIT	Compliance Officer and Treasurer/Host Third Party Tabulator

Stockholders present in person or represented by proxy	3,923,623,971 constituting 52.29% of the total outstanding capital of the Corporation as of record date 30 May 2023 (Please see the Record of Attendance here attached as Annex “A”)
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The representatives from the Company’s external auditor, Reyes Tacandong & Co., were likewise in attendance to address questions from the stockholders during the Meeting.

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**I. CALL TO ORDER**

Mr. Willy N. Ocier, the Chairman of the Board, welcomed the stockholders, called the meeting to order, and presided over the proceedings. The Assistant Corporate Secretary, Atty. Nicole Bernadette M. Dulay, recorded the minutes of the meeting.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Assistant Corporate Secretary certified that the notice of the annual stockholders' meeting and the Definitive Information Statement, along with the Corporation's "Guidelines for Participation via Remote Communication and Voting in Absentia" were uploaded via PSE EDGE on May 25, 2023 and posted on the Corporation's website beginning on the same day. In addition, the Assistant Corporate Secretary also certified that the notices of the meeting were distributed electronically and by courier to the shareholders starting on May 24, 2023.

The Chairman inquired from the Assistant Corporate Secretary whether there was a quorum for the transaction of business by the stockholders.

The Assistant Corporate Secretary certified that based on record, stockholders who have registered and participated in this meeting, personally and by proxy, represent 3,923,623,971 common shares, constituting **52.29%** of the total outstanding capital stock of the Corporation as of record date May 30, 2023.

The Chairman then declared that there was a quorum for the transaction of business. He then acknowledged the presence of Ms. Cristina Castro Naguit who has been engaged as third-party tabulator of votes cast for today's meeting.

Likewise, the Chairman informed all stockholders and other participants that the meeting is recorded and that though the holding of the meeting is in a virtual format, it is the desire of the Company to provide the stockholders the opportunity to participate in said meeting to the same extent possible as in an in-persona meeting.

He then invited everyone to listen to a brief discussion on the rules of conduct and voting procedures of the meeting.

The Assistant Corporate Secretary discussed the rules of conduct and voting procedures set forth in the Definitive Information Statement and in the Notice of Annual Stockholders' Meeting, in accordance with the rules of the Securities and Exchange Commission as follows:

The rules of conduct and voting procedures are set forth in the Definitive Information Statement and in the Notice of Annual Stockholders' Meeting, in accordance with the rules of the Securities and Exchange Commission.

First, stockholders who notified the Corporation of their intention to participate in this meeting by remote communication have sent their questions or comments through the e-mail address provided for the purpose.

Stockholders now participating through the livestream can continue sending more questions throughout the duration of the meeting through the Q&A button located at the bottom of your screens.

Second, some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded.

As our time dedicated for the meeting, however, is limited, the questions and comments which will not be read out and responded to during the meeting will be answered by the appropriate officers of the Corporation concerned.

Third, resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda for this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

Finally, as tabulated, the votes cast as of **June 19, 2023**, are from stockholders owning **3,923,623,971** voting shares, representing **52.29%** of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported out throughout the meeting.

The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the Minutes of this Meeting.

III. **APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING.**

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the previous annual meeting of the stockholders held on June 9, 2022 posted on the Corporation’s website several days after its adjournment. A copy of the minutes is also appended to the Definitive Information Statement posted on the PSE EDGE and the Corporation’s website. The minutes reflect the proceedings of the last annual meeting, including resolutions adopted and approved, with corresponding tabulation of votes for each item then for approval.

Upon inquiry from the Chair, the Assistant Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>3,923,623,971</b>	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting of APC Group, Inc. held on June 9, 2022 is approved.”

IV. **APPROVAL OF THE 2022 OPERATION AND RESULTS**

The Chairman proceeded to the next item in the agenda which is the approval of the 2022 operations and results of the Corporation. The Chairman explained that the copies of the Corporation’s Definitive Information Statement and the accompanying Annual Report had been sent and made available to all stockholders several weeks prior to the meeting, and the same were likewise posted in the Corporation’s website. The Annual report contains the summaries of operations and the Audited Financial Statements of the Corporation for the Year 2022. The Information Statement and Annual report likewise contains the items required under Section 49 of the Revised Corporation Code.

The Chairman then requested the President and CEO, Mr. Ian Jason Aguirre, to render his report on the Company’s results of operations for 2022. The President reported as follows:

*“To our fellow stockholders, members of the Board of Directors and friends, good morning and welcome to APC Group Inc. ’s 2023 Annual Stockholders’ Meeting. Thank you for taking the time to be with us today.*

***Status of Operations***

*I am pleased to report that your Company, through its subsidiary, Aragorn Power and Energy Corporation or APEC, continues to move forward in its Kalinga Geothermal Project (KGP).*

*In 2022, the Company remained committed to continuing its exploration activities focusing its efforts towards attaining reliable results, amidst the various challenges and difficulties in supply chain and working conditions resulting from Global factors we are all facing. The Company*

*focused on re-confirming and evaluating the geology, geochemical, and geophysical surveys (3G) information it acquired to refine the Project's Resource Conceptual Model.*

*Analysis of the 3G results reaffirm the commercial temperatures observed in the area suggesting close proximity to the resource, but at a narrower band of drilling targeting. The results also suggest the existence of multiple systems to the South West of the current exploration area. As such, further study is needed to ascertain the new discoveries that would allow assessment of the Kalinga prospect as a whole before proceeding to drilling operations. Understanding the potential of the additional systems is key in determining the technical viability, commerciality, and overall value of the prospect, as well as improving the likelihood of Project success.*

*With the newly discovered potential systems, we submitted a Request for New Investment which allows for the awarding of a new service contract for the newly discovered systems, South West of the current area.*

*Moreover, due to the pandemic and typhoons in the period of 2020 to 2022, which significantly hampered our drilling and exploration activities, APEC requested the Department of Energy for a period of suspension of its obligations as well as an extension of the existing contract. The DOE approved the period of suspension last June 23, 2022.*

*Notwithstanding the many challenges, your Company continues its commitment to partnership and relationship-building with its host communities through the continuation of educational assistance and tree-planting activities within the 8 ancestral domains in its contract area. To date, The Project has already extended scholarships to 380 grantees and has produced 297 graduates in various courses, which includes 54 licensed professionals. In fact, five (5) scholar graduates in engineering and geology have been hired for the Project. We have also planted more than 100 native bamboo and guyabano seedlings in landslide prone areas within our service contract.*

### ***Financial Performance***

*Now, please allow me to shift and briefly go through the Company's financial performance in 2022. For your reference, the details of the financial statements are contained in the Information Statement sent to the stockholders.*

- In 2022, the Company recorded consolidated assets of P259.6 million, higher by 0.2% from P259.1 million in 2021.*
- Total liabilities is at P112.3 million, a 1% or P0.9 million increase versus last year.*
- The Company reported 25% lower general and admin costs from the previous year as a result of continuous cost optimization initiatives. A P5.3M gain was also recognized during the year from the sale of properties in Cebu. These resulted to 90% improvement in total comprehensive loss of P400 thousand.*

*In closing, the Company has remained focused on its mission of creating value for our investors and our stakeholders. We look forward to working together with our many stakeholders to move our project further and create value in the future.*

*Thank you and good day to everyone."*

The Chairman then requested the Assistant Corporate Secretary to announce the results of the voting for the approval of the 2022 Operations and Results of the Corporation which were appended to the Definitive Information Statement, the 2022 Annual Report and the Consolidated Audited Financial Statements of the Corporation as of December 31, 2022 as audited by Reyes Tacandong & Co.

The Assistant Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
3,923,623,971	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“**RESOLVED**, That the 2022 Annual Report, 2022 Consolidated Audited Financial Statements of APC Group, Inc., and the Corporation’s 2022 Operations and Results are approved.”

5. **Approval and Ratification of the Acts of the Board of Directors and Management**

The next item in the agenda was the approval and ratification of the acts of the Board of Directors and Management during their term of office. The Chairman explained that the summary of these acts could be found in the Definitive Information Statement that was made available to all stockholders.

Upon inquiry from the Chair, the Assistant Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor for the approval and ratification. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
3,923,623,971	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolutions were passed and adopted:

“**RESOLVED**, that all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors, Board Committees, and Management of APC Group, Inc. (the ‘Corporation’) from the date of the last Annual Stockholders’ Meeting up to the date of meeting are approved, ratified, and confirmed.

“**RESOLVED FINALLY**, that all acts, proceedings, elections and appointments performed or taken pursuant to the foregoing resolution, be in all respects approved, ratified and confirmed.”

VI. **ELECTION OF DIRECTORS FOR 2023-2024**

The next item in the agenda is the election of directors for the year 20223-2024. The Chairman requested the Assistant Corporate Secretary to announce the nominees.

The Assistant Corporate Secretary announced the following nominees, prequalified by the Corporate Governance Committee, for the election to the Board for 2023-2024:

WILLY N. OCIER  
IAN JASON R. AGUIRRE  
JACKSON T. ONGSIP  
EDMUNDO L. TAN  
VIRGINIA A. YAP

Independent Directors

RAFAEL M. ALUNAN III  
JERRY C. TIU

Upon inquiry from the Chair, the Assistant Corporate Secretary announced the tabulation of the votes received and cast in favor of the said nominees, as follows:

Nominee	Number of shares voting in favor	%
Willy N. Ocier	3,923,623,971	100%
Ian Jason R. Aguirre	3,923,623,971	100%
Jackson T. Ongsip	3,923,623,971	100%
Edmundo L. Tan	3,923,623,971	100%
Virginia A. Yap	3,923,623,971	100%
Rafael M. Alunan III	3,923,623,971	100%
Jerry C. Tiu	3,923,623,971	100%

The Assistant Corporate Secretary announced that since there are only seven (7) nominees and with the votes received, all nominees have obtained sufficient votes for election. The following resolution was then passed and approved:

“RESOLVED, that the following persons are elected directors of APC Group, Inc. for a period of one (1) year until their successors shall have been duly elected and qualified.

WILLY N. OCIER  
IAN JASON R. AGUIRRE  
JACKSON T. ONGSIP  
EDMUNDO L. TAN  
VIRGINIA A. YAP

Independent Directors

RAFAEL ALUNAN III  
JERRY C. TIU

VII. APPOINTMENT OF EXTERNAL AUDITOR

The next item in the agenda was the appointment of the Company’s External Auditor for 2023. The Assistant Corinformed the shareholders that the Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2023.

Upon inquiry from the Chair, the Assistant Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor for the approval and ratification. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
3,923,623,971	100%	0	0%	0	0%

Accordingly, the following resolution was passed and approved:

“RESOLVED that Reyes Tacandong & Co. is appointed as the External Auditor of APC Group, Inc. for 2023, under such terms and conditions as may be approved by the Board.”

The Chairman then announced that as stated in the Definitive Information Statement, all stockholders of record were allowed to submit questions via email to [apc\\_governance@bellec corp.com](mailto:apc_governance@bellec corp.com)



, and through the live comments broadcast section of the proceedings. He added that for those not entertained due to time constraints, the Corporation will endeavor to respond to their questions via email.

Upon request of the Chair, the host read the following questions sent via email:

“What can we expect with the Kalinga Geothermal Project?”

The President and Chief Executive Officer, Mr. Ian Jason Aguirre gave the following reply:

*“The Project intends to continue exploration activities through further 3G surveys upon awarding of the new service contract under South West Kalinga. We will pursue a more thorough well targeting and evaluation of the rig requirements in preparation for the actual drilling of new exploration wells.”*

The other question that was sent to us states: *“How do you see Geothermal Energy supporting the country’s push for Renewable Energy in the Philippines?”*

*Our company supports the government’s advocacy for green entry and sustainable development. Being a company engaging in Geothermal Energy, which is considered a baseload energy that provides energy 24/7. The Company plans to provide additional source of clean, indigenous and reliable power to the Luzon grid.*

#### **VIII. OTHER MATTERS**

The Chairman inquired if there were other matters that could properly be taken up at this meeting. The Assistant Corporate Secretary confirmed that there was none.

#### **IX. ADJOURNMENT**

There being no further business to transact, the meeting was upon motion duly made and seconded thereupon adjourned.

CERTIFIED CORRECT:

**NICOLE BERNADETTE M. DULAY**  
Asst. Corporate Secretary

ATTESTED BY:

**WILLY N. OCIER**  
Chairman

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Jerry C. Tiu**, Filipino, of legal age and a resident of No.  
after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **APC Group, Inc.** (the "Corporation").
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

<b>COMPANY/ORGANIZATION</b>	<b>POSITION/RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
Premium Leisure Corp.	Independent Adviser to the Board	April 22, 2024 to present
Tagaytay Highlands Community Condominium Association, Inc.	Director	August 9, 2001 to present
	President	August 25, 2001 to present
Tagaytay Midlands Community Homeowners' Association, Inc.	Director	September 3, 2002 to present
	President	June 28, 2008 to present
Greenlands Community Homeowners' Association, Inc.	Director	April 26, 2006 to present
	Chairman	December 12, 2014 to June 24, 2017
		September 20, 2006 to December 12, 2014
	President	Sept. 20, 2006 to present
The Hillside at Tagaytay Highlands Community Homeowners' Association, Inc.	Trustee and Vice President	
The Highlands Prime Community Condominium Owners' Association, Inc.	Trustee and Vice President	
The HPI's Horizon Community Condominium Owners' Association, Inc.	Trustee and Vice President	
Tagaytay Highlands International Golf Club, Inc.	Director	December 22, 1999 to present
	President	June 28, 2001 to present
The Country Club at Tagaytay Highlands, Inc.	Director	December 22, 1999 to present
	President	November 21, 2001 to present
Tagaytay Midlands Golf Club, Inc.	Director	April 12, 2000 to present
	President	November 21, 2001 to present

The Spa & Lodge at Tagaytay Highlands, Inc.	Director and President	August 16, 2001 to present
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3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)


NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable		

6. I am not in government service/affiliated with a government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAY 08 2024 day of \_\_\_\_\_, at MAKATI CITY.

  
Jerry C. Tiu

SUBSCRIBED AND SWORN to before me this MAY 08 2024 day of \_\_\_\_\_ at MAKATI CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with TIN

**ATTY. JOEL FERRER FLORES**

Notary Public for Makati City  
Until December 31, 2024

Appointment No. M-115 (2023-2024)

Roll of Attorney No. 77376

MCLE Compliance VIII No. 0001393-

Jan. 3, 2023 until Apr. 12, 2028

PTR NO. 10073948/ Jan. 2, 2024/ Makati City

IBP No. 330740/ Jan. 2, 2024/ Pasig City

1107 Bataan St., Guadalupe Nuevo, Makati City

Doc. No. 167;  
Page No. 55;  
Book No. 19;  
Series of 2024

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Rafael M. Alunan III**, Filipino, of legal age, and with address at

after having been duly sworn to in accordance with law hereby declare that:

1. I am a nominee for independent director (ID) of **APC Group, Inc. (APC)** (the "Corporation").
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Pepsi Cola Products (Philippines), Inc.	Vice Chairman and Independent Director	2007 to present
Philippine Council for Foreign Regulations	Chairman	2018 to present
Harvard Kennedy School Alumni Association of the Philippines Inc.	Chairman	2013 to present
Philippine Taekwondo Association	President	Jan 2023 to present
Spirit of EDSA Foundation	Board Member	1998 to present
One Philippines Party List	Founder	2018 to present
Rotary Club of Manila	Director and President-elect	2023-2024
Kaltimex Energy Phils.	Senior Adviser	2018 to present
Development Academy of the Philippines	Fellow	2015 to present
Institute of Corporate Directors	Fellow	2014 to present
Institute for Solidarity in Asia	Fellow	2014 to present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)



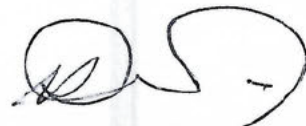
NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable		

6. I am not in government service/affiliated with a government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAY 08 2024 day of MAKATI CITY, at \_\_\_\_\_.

  
Rafael M. Alunan III

SUBSCRIBED AND SWORN to before me this MAY 08 2024 day of MAKATI CITY at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with

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Series of 2024

**ATTY. JOEL FERRER FLORES**  
Notary Public for Makati City  
Until December 31, 2024  
Appointment No. M-115 (2023-2024)  
Roll Of Attorneys No. 77376  
MCLR Compliance VIII No. 0001393-  
Jan. 3, 2023 until Apr. 12, 2028  
PTR NO. 10073945/ Jan. 2, 2024/ Makati City  
IBP No. 330740/ Jan. 2, 2024/ Pasig City  
1107 Bataan St., Guadalupe Nuevo, Makati City

Republic of the Philippines )  
City of Pasig )

## CERTIFICATION

I, Richard Anthony D. Alcazar, of legal age, Filipino citizen, with office address at 23<sup>rd</sup> Floor, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City, after being duly sworn in accordance with law, certify that:

1. I am the Corporate Secretary of APC Group, Inc. (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with offices at the G/F MyTown New York Building, General E. Jacinto St. corner Capas St., Barangay Guadalupe Nuevo, Makati City, 1212 Philippines;
2. No director or officer of the Corporation is connected with any government agencies or instrumentalities; and
3. The foregoing is in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have hereunto affix my signature on this MAY 13 2024 day of May 2024 at Pasig City, Philippines.



**RICHARD ANTHONY D. ALCAZAR**  
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME this MAY 13 2024 day of \_\_\_\_\_ at Pasig City, affiant exhibiting to me his Community Tax Certificate No. \_\_\_\_\_ issued on January 5, 2024 and SSS No. \_\_\_\_\_ as competent evidence of his identity.



**ANGELICA JUOY A. ESCOSIO**  
Notary Public for the Cities of Pasig, San Juan,  
and Municipality of Pateros  
Appointment No. 196 (2023-2024)  
Commission Expires on 31 December 2024

2303- A East Tower, Tektite Towers, Exchange Road  
Ortigas Center, Pasig City, Metro Manila  
Roll No. 76308

PTR No. 8979281- 01/11/2023- Pasig City  
IBP No. 269765- 01/04/2023- Quezon City  
MCLE Compliance: N/A

(Admitted to the Philippines Bar on 04 May 2016)

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