

From: Philippine Stock Exchange <no-reply@pse.com.ph>

Date: May 12, 2022 at 15:30:22 GMT+8

Subject: Information Statement

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: APC Group, Inc.

Reference Number: 0017297-2022

Date and Time: Thursday, May 12, 2022 15:30 PM

Template Name: Information Statement

Report Number: CR02847-2022

Best Regards,

PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) 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 or organization

Metro Manila, Philippines

4. SEC Identification Number

AS93008127

5. BIR Tax Identification Code

002-834-075

6. Address of principal office

G/F MyTown New York Building, General E. Jacinto Corner Capas Streets, Barangay

Guadalupe Nuevo, Makati City

Postal Code

1212

7. Registrant's telephone number, including area code

(+632) 8662 8888

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

June 9, 2022 at 11:00 A.M. Due to the current circumstances, the meeting will be conducted via remote communication.

9. Approximate date on which the Information Statement is first to be sent or given to security holders

May 9, 2022

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

-

Address and Telephone No.

-

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	7,504,203,997

13. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc. / Common Stock

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



APC Group, Inc. APC

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting *References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules*

Date of Stockholders' Meeting	Jun 9, 2022
Type (Annual or Special)	Annual
Time	11:00 A.M.
Venue	Not applicable (the meeting will be held via remote communication)
Record Date	Apr 30, 2022

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information

-

Filed on behalf by:

Name	Michelle Angeli Hernandez
Designation	Chief Risk Officer

COVER SHEET

A	S	9	3	0	0	8	1	2	7
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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
Month			Day	
Fiscal Year				

Fiscal Year

20-IS

FORM TYPE

Secondary License Type, If Applicable

8662-8888

8662-8888

Company's Telephone Number

Month Day

Month

Day

Annual Meeting

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

LCU

[illegible]

Cashier

STAMPS

STAMPS



APC GROUP INC.

**Notice of Annual Stockholders' Meeting
June 9, 2022 | 11:00 a.m.**

TO: ALL STOCKHOLDERS

Please take notice that the annual meeting of the stockholders of **APC GROUP, INC.** will be held on **June 9, 2022**, Thursday at 11:00 a.m. Given the current circumstances, 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. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders held on July 22, 2021
4. Approval of 2021 Operations and Results
5. Ratification of All Acts and Proceedings of the Board of Directors, Board Committees and the Management during their term of office
6. Election of Directors for 2022-2023
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 April 30, 2022 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.corsec@gmail.com*** and submitting the required documents until June 6, 2022. 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 on or before June 6, 2022. In view of the community quarantine, scanned forms will be accepted. Paper copies shall be sent to the office of the Corporate Secretary at the 23rd Floor, Philippine Stock Exchange Centre, East Tower Exchange Road, Ortigas Center, Pasig City once the community quarantine is lifted.

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 is posted in the Company's website <http://apcaragorn.net/index.php/disclosures/sec-filings/sec-form-20-is-information-statement> and PSE Edge.

City of Pasig, 10 May 2022.

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 April 30, 2022. 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 July 22, 2021.** The Minutes of the August 10, 2020 Annual Stockholders' Meeting (ASM) are available on the Company's website: <http://apcaragorn.net/index.php/component/jdownloads/send/129-minutes-of-all-general-or-special-stockholders-meetings-2021/553-draft-minutes-of-2021-annual-stockholders-meeting-posted-on-july-28-2021?Itemid=0>Copies of the minutes of the annual stockholders' meeting held on July 22, 2021 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 2021 Operations and Results.** The Company's 2021 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, 2021. 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 July 22, 2021 until June 9, 2022 will be presented to the shareholders for their confirmation, approval and ratification. The Company's performance in 2021, 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 2022-2023.** The Directors of the Company, including Independent Directors, have been pre-qualified by the Company's Corporate Governance Committee for election as directors for 2022-2023. 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 2022-2023 will be elected during this year's stockholders' meeting. If elected, they shall serve as such from June 9, 2022 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 2022. 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 2022 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 2022.
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 9, 2022 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 July 22, 2021

___ Yes ___ No ___ Abstain

2. Approval of 2021 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 2022 to 2023

___ 4.1 Vote for all nominees listed below:

- a. Willy N. Ocier
- b. Ian Jason R Aguirre
- c. Rafael M. Alunan III (Independent)
- d. Jackson T. Ongsip
- 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 Auditor

___ 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*

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 2022-2023

	EXPERIENCE / EDUCATION
WILLY N. OCIER 	<p>Mr. Ocier, 65, Filipino, is the Chairman of the Company. He is also an Executive Director and the Chairman of Belle Corporation and Premium Leisure Corp., Chairman and Director of PremiumLeisure and Amusement, Inc. and the Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and The Country Club at the Tagaytay Highlands, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., Chairman of Online Systems Corporation, and Total Gaming and Technologies, Inc. He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to 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.</p>
IAN JASON R. AGUIRRE 	<p>Mr. Ian Jason R. Aguirre, 48, 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>
RAFAEL M. ALUNAN III 	<p>Mr. Rafael M. Alunan III, 73, Filipino, sits on various Boards of Directors: as Vice-Chair, Pepsi Cola Products (Philippines), Inc. and chairs the Audit Committee (PCPPI); Metro Global Holdings Corp. and chairs the Risk and Corporate Governance Committees; as Chairman, Philippine Council for Foreign Relations (PCFR) and Harvard Kennedy School Alumni Association of the Philippines Inc. (HKSAAPI); as President, Philippine Taekwondo Foundation;</p> <p>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 and Director-elect of Rotary Club of Manila, 2022-2023.</p>

	EXPERIENCE / EDUCATION
	<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.</p> <p>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, PC-Special 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>JACKSON T. ONGSIP</p> 	<p>Mr. Ongsip, 48, Filipino, is a Non-Executive Director of the Company. He was the Company’s President and Chief Executive Officer until November 5, 2021. He is also the Vice President for Finance, Chief Financial Officer (CFO), and Treasurer of Premium Leisure Corp., Vice President for Portfolio Investments of SM Investments Corporation, Executive Vice President, CFO and Treasurer of Belle Corporation. Mr. Ongsip is also 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 8 years now with the SM Group. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy.</p>
<p>EDMUNDO L. TAN</p> 	<p>Mr. Edmundo L. Tan, 76, Filipino, is a Director of APC Group, Inc. 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.</p>

	EXPERIENCE / EDUCATION
	<p>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.</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 & 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.</p>
<p>JERRY C. TIU</p> 	<p>Jerry C. Tiu, Filipino, 65, is an Independent Director of the Company and Premium Leisure Corp. He is 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 and Pacific Online Systems Corporation.</p> <p>Mr. Tiu holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.</p>
<p>VIRGINIA A. YAP</p> 	<p>Ms. Virginia A. Yap, 70, is a Director of APC Group, Inc. 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 Director of Belle Corporation.</p> <p>She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao.</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 9, 2022, Thursday

Time: 11:00 AM

Venue: To protect shareholders and other stakeholders from the ongoing COVID 19 Pandemic, the meeting will be conducted via remote communication. The Chairman of the Board shall call and preside the meeting from the Company's principal office as required by the SEC regulations. The same will be livestreamed from /within Metro Manila, as set forth in the Company's By-laws, which was discussed and approved by the Board in its meeting held on April 7, 2022. The details for the stockholders who wish to participate via remote communication and to vote in absentia are posted on the Company's website, <http://apcaragorn.net/index.php/investor-relations/programs>. The link and credentials for the meeting shall be sent to verified/validated stockholders prior the meeting.

Approximate date on which the Information Statement is first to be sent or given to security holders: **May 9, 2022**

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	7,504,203,997 shares (As of March 31, 2022)

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 9, 2022, Thursday**
Time: **11:00 AM**
Place: To protect shareholders and other stakeholders from the ongoing COVID 19 Pandemic, the meeting will be conducted via remote communication. The Chairman of the Board shall call and preside the meeting from the Company's principal office as required by the SEC regulations. It will be livestreamed from/within Metro Manila, as set forth in the Company's By-laws, which was discussed and approved by the Board in its meeting held on April 7, 2022. The details for the stockholders who wish to participate via remote communication and to vote in absentia are posted on the Company's website, <http://apcaragorn.net/index.php/investor-relations/programs>. The link and credentials for the meeting shall be sent to verified/validated stockholders prior the meeting.
- (b) The approximate date on which the Information Statement is first to be sent or given to security holders is on May 9, 2022.
- (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 9, 2022 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 2022-2023.
- (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 March 31, 2022, the Registrant has **7,504,203,997** common shares outstanding and each share is entitled to one vote. As of March 31, 2022, out of the outstanding capital stock of the Company, 536,548,564 common shares or **7.15%** 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 April 30, 2022.

- (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 <http://apcaragorn.net/index.php/investor-relations/programs>. 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.corsec@gmail.com on or before June 6, 2022 (Monday), 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 March 31, 2022:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares Held	% Held
Common	PCD Nominee Corp. (Filipino) G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Belle Corporation ²	Filipino	3,500,000,000	46.04
Common	PCD Nominee Corp. ¹ (Filipino) G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Various ³	Filipino	1,906,519,601	25.40
Common	PCD Nominee Corp. ¹ (Filipino) G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Various ³	Non-Filipino	420,448,564	5.60

¹ 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.

² 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.

³ 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 March 31, 2022:

Title Class	Name of Beneficial Owner	Citizen - ship	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 ¹	Filipino	1	Direct	Voting	1	-
Common	Edmundo L. Tan	Filipino	234,701	Direct / Indirect	Voting	234,701	0.00
Common	Jerry C. Tiu ²	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	Nicole Bernadette M. Dulay	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			2,938,707	0.04

¹ elected on November 5, 2021

² elected on July 22, 2021

3. Voting Trust Holders of 5% or More

The Company is not aware of any party which holds any voting trust or any similar agreement for 5% or more of APC Group Inc.’s voting securities.

4. Changes in Control

There is no arrangement which may result in a change in control of APC.

Item 5. Directors and Executive Officers of the Registrant

The names and ages of all incumbent Directors, elected on July 25, 2021 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/ys	Date First Elected	Position	Nationality
Willy N. Ocier	65	Year 1999 to present	Chairman	Filipino

Jackson T. Ongsip	48	August 13, 2015 to November 5, 2021	Executive Director / President / CEO	Filipino
		November 5, 2021 to present	Non-Executive Director	
Edmundo L. Tan	76	Year 2000 to present	Director	Filipino
Name	Age/yrs	Date First Elected	Position	Nationality
Ian Jason R. Aguirre	48	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	70	June 6, 2012 to present	Director	Filipino
Rafael M. Alunan III	73	August 10, 2020 to present	Independent Director (Lead)	Filipino
Richard Anthony D. Alcazar	51	May 31, 2017 to present	Corporate Secretary	Filipino
Nicole Bernadette M. Dulay	30	July 22, 2021 to present	Assistant Corporate Secretary	Filipino
Marie Joy T. Co	40	November 6, 2021 to present	Treasurer and Compliance Officer	Filipino
Michelle Angeli T. Hernandez	50	July 22, 2021 to present	Chief Risk Officer	Filipino
Anna Josefina G. Esteban	54	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.

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, 65, Filipino, is the Chairman of the Company. He is also an Executive Director and the Chairman of Belle Corporation and Premium Leisure Corp., Chairman and Director of PremiumLeisure and Amusement, Inc. and the Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., The Country Club at the Tagaytay Highlands, Inc., The Spa and Lodge, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., Chairman and President of Pacific Online Systems

Corporation, and Chairman of Total Gaming and Technologies, Inc. He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to 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, 48, 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, 48, Filipino, is a Non-Executive Director of the Company. He is also the Vice President for Finance, Chief Financial Officer (CFO) and Treasurer of Premium Leisure Corp., Vice President for Portfolio Investments of SM Investments Corporation, Executive Vice President, CFO and Treasurer of Belle Corporation. Mr. Ongsip is also 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 8 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, 76, Filipino, is a Director of APC Group, Inc. 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 OCP 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 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.

Virginia A. Yap

Non-Executive Director

Date of First Election: June 2012

Member, Executive Committee, and Compensation and Remuneration Committee

Ms. Yap, 70, Filipino, is a Director of APC Group, Inc. 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 Director of Belle Corporation.

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

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, 73, Filipino, sits on various Boards of Directors: as Vice-Chair, Pepsi Cola Products (Philippines), Inc. and chairs the Audit Committee (PCPPI); Metro Global Holdings Corp. and chairs the Risk and Corporate Governance Committees; as Chairman, Philippine Council for Foreign Relations (PCFR) and Harvard Kennedy School Alumni Association of the Philippines Inc. (HKSAAPI); as President, Philippine Taekwondo Foundation;

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 and Director-elect of Rotary Club of Manila, 2022-2023.

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, PC-Special 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, 65, Filipino, is an Independent Director of the Company and Premium Leisure Corp. He is 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 and Pacific Online Systems Corporation.

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

EXECUTIVE OFFICERS:**Ian Jason R. Aguirre**

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

Richard Anthony D. Alcazar

Atty. Alcazar, 51, 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.

Nicole Bernadette M. Dulay

Atty. Dulay, 30, Filipino, is the Assistant Corporate Secretary of the Company. She was admitted to the Bar in 2020, Philippines. She graduated from the University of the Philippines-Manila with a Bachelor of Arts degree in Behavioral Sciences, and a Bachelor of Laws degree from the University of Asia and the Pacific. She is a member of the Integrated Bar of the Philippines. She is a Trained Arbitrator being a member of the Philippine Dispute Resolution Center, Inc.

Marie Joy T. Co

Ms. Co, 40, Filipino, is concurrently the Accounting Manager for the Philippine Geothermal Production Company. 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, 54, 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, 50, Filipino, is the Chief Risk Officer of the Company. She is the Chief Risk Officer and Vice President for Governance of Belle Corporation, and Chief Risk Officer of Premium Leisure Corp. 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.

Independent Directors

Mr. Rafael M. Alunan III and Mr. Jerry C. Tiu were elected as Independent Directors during July 22, 2021 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 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).

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
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
Rafael M. Alunan III	Metro Global Holdings Corp.	Independent Director
	Pepsi Cola Products (Philippines), Inc.	Vice Chairman and Independent Director

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 if 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:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding.
- 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,
- 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 availment 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. Aguirre¹
CEO & President
2. Marie Joy T. Co¹
Treasurer and Financial Controller,
Compliance Officer

Summary of Compensation Table	Year	Amount
CEO & Most Highly Compensated Executive Officers	2022 (estimate)	₱1,300,000
	2021 (actual)	1,889,500
	2020 (actual)	1,944,667
All Other officers as a group unnamed	2022 (estimate)	—
	2021 (actual)	—
	2020 (actual)	—

¹CEO and Most Highly Compensated Executive Officers

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

Compensation of Directors

Directors	Gross Allowances for Board Meetings attended in 2021 (PHP)
Willy N. Ocier	35,000.00
Ian Jason R. Aguirre ^a	5,000.00
Jackson T. Ongsip	35,000.00
Bernardo D. Lim ^b	30,000.00
Edmundo L. Tan	35,000.00
Virginia A. Yap	35,000.00
Tomas D. Santos ^c	15,000.00
Rafael M. Alunan III	35,000.00
Jerry C. Tiu ^d	25,000.00

^a elected on November 5, 2021

^b up to November 5, 2021

^c up to July 22, 2021

^d elected on July 22, 2021

Below table shows the attendance of each Board member in the meetings conducted in 2021:

Board of Directors	22-Feb-21	7-May-21	22-Jul-21 (Organizational)	22-Jul-21	5-Nov-21	16-Dec-21
Ocier, Willy	x	x	x	x	x	x
Aguirre, Ian Jason R. ¹	N/A	N/A	N/A	N/A	N/A	x
Alunan, Rafael M. III	x	x	x	x	x	x
Lim, Bernardo D. ²	x	x	x	x	x	N/A
Ongsip, Jackson T.	x	x	x	x	x	x
Santos, Tomas D. ³	x	x	N/A	N/A	N/A	N/A
Tan, Emundo L.	x	x	x	x	x	x
Tiu, Jerry C. ⁴	N/A	N/A	x	x	x	x
Yap, Virginia A.	x	x	x	x	x	x

¹ - elected on November 5, 2021

² - resigned on November 5, 2021

³ - end of term on July 22, 2021

⁴ - elected on July 22, 2021

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 2022. 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.

- The Company's external auditors for 2021 was RT & Co. with Ms. Belinda Fernando as the partner-in-charge, and for 2020 was SyCip Gorres Velayo & Co. (SGV), with Mr. Johnny F. Ang 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 2021 where RT & Co., and in 2020 where SGV and the Company 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, 2021 and 2020 are as follows:

2021	₱220,000
2020	510,000
- 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 2022 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 9, 2022, shareholders will be asked to approve and ratify the following:

1. Minutes of the Annual Stockholders' Meeting (ASM) held on July 22, 2021 as appended to this Information Statement as "Annex A". The minutes of the said ASM was posted on the Company's website: <http://www.apcaragorn.net/index.php/component/jdownloads/send/118-minutes-of-2020-stockholder-s-meeting-s/478-minutes-of-2020-annual-stockholders-meeting-draft?Itemid=0> 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 July 22, 2021 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 July 22, 2021 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 July 22, 2021 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:

Date	Title
March 02, 2021	2020 Audited Financial Statement
May 10, 2021	Postponement of Annual Stockholders' Meeting
May 10, 2021	Notice of 2021 Annual or Special Stockholders' Meeting
July 23, 2021	Results of 2021 Annual or Special Stockholders' Meeting
July 23, 2021	Results of Organizational Meeting of the Board of Directors
July 26, 2021	Amended Results of 2021 Annual or Special Stockholders' Meeting
November 08, 2021	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
November 08, 2021	Amendments to By-Laws

3. 2021 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 9, 2022 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, 2021, 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 6, 2022 at the Office of the Corporate Secretary at the 23rd 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 10th day of May 2022.


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 (collectively referred to as the “Company”) were all incorporated in the Philippines and are registered with the Philippine Securities and Exchange Commission (SEC). The Parent Company was incorporated in the Philippines on October 15, 1993 and was originally organized to engage in the oil and gas exploration and development in the Philippines. On April 30, 1997, the Philippine 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, Inc (PSE).

The registered office address of the Parent Company is G/F MyTown New York Bldg., General E. Jacinto St. corner Capas St., Brgy. Guadalupe Nuevo, Makati City 1212.

The subsidiaries of the Company are as follows:

Company	Nature of Business	Date of Incorporation	Percentage of Ownership
Aragorn Power and Energy Corporation (APEC) ^(1, 3)	Energy	January 6, 2005	97.6%
PRC-Magma Energy Resources Inc. (PRC - Magma) ^(1, 2)	Energy	June 10, 2009	85%
APC Cement Corporation (APC Cement) ⁽¹⁾	Manufacturing	November 15, 1994	100%
APC Energy Resources, Inc. (APCERI) ⁽¹⁾	Mining	January 31, 2005	100%
APC Mining Corporation (APC Mining) ⁽¹⁾	Mining	March 17, 2005	83.3%

(1) Still in the pre-operating stage

(2) A direct subsidiary of APEC

(3) On April 10, 2018, the Parent Company subscribed to additional shares of APEC through capital infusion amounting to P76.5 million which increased the ownership interest of the Parent Company from 90% to 95.6%. This resulted to change in ownership interests in APEC without loss of control and accounted for as deemed acquisition of NCI. Loss on dilution of NCI amounted to P3.4 million, presented as part of “Equity Reserves” in the Consolidated Statement of Financial Position.

All the subsidiaries were incorporated in the Philippines.

Subsidiaries and Status of Operations

The following is the status of operations of the Group:

a. Aragorn Power and Energy Corporation (APEC)

▪ Kalinga Apayao Geothermal Service Project (Project)

As at the report date, APEC is still in the exploration stage. It was established to engage in renewable energy resource exploration, development and utilization.

In 2008, APEC was granted a Geothermal Service Contract (GSC) by the Republic of the Philippines, through 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 (GRESK) in March 2010 to avail of the incentives provided under the Renewable Energy (RE) Act of 2008. GRESK 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) forged a partnership with AllFirst Kalinga Ltd. (AKL, formerly Chevron Kalinga Ltd.), a wholly owned subsidiary of AllFirst Geothermal Philippines Holdings, Inc., (formerly Chevron Geothermal Philippines Holdings, Inc.) 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.

On August 13, 2018, APEC has secured an extension of the GRESC exploration period from 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 has 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 letter dated December 28, 2018, the DOE gave KGP the clearance to undertake a system impact study (SIS) of its proposed 120 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. DENR and 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. 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 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 the drilling PAS-02 with commercial temperature and encouraging chemistry.

On March 12, 2021, the KGP re-commenced its geology, geochemical, and geophysical

surveys (3G) which ended 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.

The KGP also continues its operations and has maintained full engagement with the host LGUs and Communities. As at February 21, 2022, 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. The 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.

The KGP continues to provide scholarship grants and educational assistance to deserving youths from the eight (8) ancestral domains within its contract area. As of school year 2020-2021, the KGP has already extended scholarships to 369 grantees and has produced 281 graduates in various courses, which includes 33 licensed professional, scholarship accounts for 26% of CD Projects Expenditure. Five (5) scholar graduates in engineering and geology have been hired for the Project.

With the newly discovered potential systems, the KGP intends to continue exploration activities, exploring the South West areas through further 3G surveys. In an anticipation of GRESC exploration period from DOE ending October 12, 2022, an extension will be sought to support the continuation of exploration activities and culmination towards resumption of drilling operations. As at report date, APEC is in the process of completing the necessary documents for the expected renewal of their GRESC.

This KGP involves the development of steam fields that can generate around 120 megawatts (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 USD300.0 million.

On January 15, 2020, APEC received a cash call from AllFirst Kalinga Holdings Inc. (AKHI) amounting to USD 2.1 million (Php106.5 million) equivalent to the 5% share of the USD 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. The Company signed two (2) Coal Operating Contracts (COCs) with the DOE location in Isabela (three blocks) and Masbate (two blocks). One block is equivalent to one thousand (1,000) hectares. The Isabela project was put on hold because of the anti-mining sentiment of the local government units and the community. Partial exploration works have been conducted. In 2013 and 2015, COCs with the DOE in both Masbate and Isabela were terminated, 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 applied permits with the DENR for the exploration of chromite, copper and nickel deposits in Zambales, Palawan and Mindoro areas and was granted a mining permit in Alubijid, Misamis Oriental. APC Mining later found that the latter area has low prospect for chromite, copper and nickel. And as such, on September 17, 2013, APC Mining wrote a letter to the Mines and Geosciences Bureau of the DENR informing the agency that it is giving up its exploration permit in Alubijid.

d. APC Cement Corporation (APC Cement)

APC Cement was established to engage in the manufacture of cement. As at December 31, 2021, 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 March 2010, the PRC Magma was awarded a Geothermal Renewable Energy Service Contract (GRES) for Bontoc Mainit-Sadanga in Mountain Province and Buguias-Tinoc in Benguet and Ifugao Provinces. Remote sensing studies and re-evaluation of previous studies were conducted which highlighted potential geothermal prospect areas that warrant further investigation. Interpretations of processed Shuttle Radar Topography Mission (SRTM) Imageries were also performed. The two (2) GRESs were given a five-year Pre-Development Stage until 24 March 2015. On November 2015, the DOE sent a letter to inform PRC-Magma that the service contracts were automatically 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.

Employees

APC Group Inc. had a total of 4 employees as of December 31, 2021.

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:

	2022		2021		2020	
	High	Low	High	Low	High	Low
First Quarter	0.27	0.22	0.590	0.375	0.47	0.245
Second Quarter	-	-	0.415	0.350	0.36	0.255
Third Quarter	-	-	0.400	0.255	0.34	0.290
Fourth Quarter	-	-	0.275	0.210	0.48	0.285

The price information as of the close of the latest practicable trading date, May 6, 2022, is Php0.230.

SECURITY HOLDERS

As of March 31, 2022, Registrant had 592 shareholders of common equity. On the said date, the following were the Top 20 registered shareholders of the common equity of the Company:

	SHAREHOLDER	NUMBER OF COMMON SHARES HELD	PERCENTAGE OWNED OUT OF TOTAL OUTSTANDING COMMON SHARES
1	BELLE CORPORATION	3,500,000,000	46.64
2	PCD NOMINEE CORPORATION	2,326,598,165	31.00
3	DOMINION EQUITIES, INC.	340,000,000	4.5308
4	COMPACT HOLDINGS INC.	281,000,000	3.7446
5	INTEGRATED HOLDINGS INC.	180,000,000	2.3987
6	ELITE HOLDINGS INC.	168,500,000	2.2454
7	PARALLAX RESOURCES, INC.	165,722,334	2.2084
8	EQUINOX INTERNATIONAL RESOURCES CORPORATION	100,000,000	1.3326
9	RICHOLD INVESTOR CORP.	100,000,000	1.3326
10	EASTERN SEC. DEVT. CORP.	80,000,000	1.0661
11	GILT-EDGED PROPERTIES, INC.	68,616,665	0.9144
12	HEADLAND HOLDINGS CORP.	55,500,000	0.7396
13	EASTERN SEC. DEV. CORP.	23,869,114	0.3181
14	LIM SIEW KIM	18,000,000	0.2399
15	TAK CHANG INVESTMENTS CO. LTD.	18,000,000	0.2399
16	COSCOLLUELA, WILLIAM V.	10,000,000	0.1333
17	REYES, VICENTE O. ITF: PETER PAUL PHIL. COR	8,332,000	0.1110
18	DHARMALA SEC. (PHILS), INC	5,050,000	0.0673
19	SINGSON, EVELYN R. ITF: GILT-EDGED PROPERTIES	3,933,333	0.0524
20	CORPORATE INV. PHILS., INC	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 2021 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 ₱220,000 in 2021 and ₱510,000 in 2020, respectively.
2. No other assurance and related services were rendered in 2021 and 2020.
3. No tax services were rendered by the external auditor in 2021 and 2020.

4. There were no other fees paid to the external auditor in 2021 and 2020.
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 2021 compared to Year Ended 2020

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31 2021	Dec 31 2020	Increase (Decrease)		2021	2020
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equivalents	13,976,898	21,475,809	(7,498,911)	-35%	5%	8%
Receivables	2,643,369	3,702,273	(1,058,904)	-29%	1%	1%
Other current assets	15,940	15,940	-	0%	0%	0%
Total current assets	16,636,207	25,194,022	(8,557,815)	-34%	6%	9%
Noncurrent Assets						
Property and equipment	13,884	34,712	(20,828)	-60%	0%	0%
I nvestment properties	12,048,000	12,048,000	-	0%	5%	5%
Financial assets at FVOCI	2,734,370	2,829,755	(95,385)	-3%	1%	1%
Deferred exploration costs	218,054,455	218,013,500	40,955	0%	84%	82%
I nput value added tax	9,567,351	9,282,133	285,218	3%	4%	3%
Other noncurrent assets - net	23,822	23,822	-	0%	0%	0%
Total noncurrent assets	242,441,882	242,231,922	209,960	0%	94%	91%
Total Assets	259,078,089	267,425,944	(8,347,855)	-3%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	28,141,965	28,652,844	(510,879)	-2%	11%	11%
Advances from related parties	79,978,631	79,978,631	-	0%	31%	30%
Total current liabilities	108,120,596	108,631,475	(510,879)	0%	42%	41%
Noncurrent Liabilities						
Accrued retirement costs	3,281,654	5,966,007	(2,684,353)	-45%	1%	2%
Total Liabilities	111,402,250	114,597,482	(3,195,232)	-3%	43%	43%
Equity						
Capital Stock	63,880,788	63,880,788	-	-0%	25%	24%
Additional paid-in capital	144,295,958	144,295,958	-	-0%	56%	54%
Cumulative change in fair value of financial assets at FVOCI	1,886,369	1,981,754	(95,385)	-5%	1%	1%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Remeasurement loss on defined benefit obligation	(495,461)	(3,986,494)	3,491,033	-88%	0%	-1%
Deficit	(22,322,828)	(13,903,180)	(8,419,648)	61%	-9%	-5%
Treasury shares	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Equity Attributable to Parent Company	154,669,371	159,693,371	(5,024,000)	-3%	60%	60%
Non-controlling interests	(6,993,532)	(6,864,909)	(128,623)	2%	-3%	-3%
Total Equity	147,675,839	152,828,462	(5,152,623)	-3%	57%	57%
Total Liabilities and Equity	259,078,089	267,425,944	(8,347,855)	-3%	100%	100%

Assets

The Company recorded consolidated assets of P259.1 million as at December 31, 2021, lower by 3% from P267.4 million in 2020. The main movements in the balance sheet are as follows:

- Cash and cash equivalents decreased by 35% from P21.5 million as at December 31, 2020 to P14.0 million as at December 31, 2021. This decrease is mainly due to payment of the Company's expenses and offset in part by the cash earned as interest and dividend income in 2021.
- Financial assets at FVOCI decreased by 3% as a result of the movement in stock prices of the shares held by the Company as of December 31, 2021.
- Investment property pertains to land owned by the Company located in Ginatillan, Cebu. There is no change in the value of the properties.

Liabilities

Total liabilities as at December 31, 2021 of the Company amounted to ₱114.4 million, decreasing by 3% versus liabilities as at December 31, 2020 by ₱3.2 million mainly due to the increase in the Company's defined benefit obligation based on the latest actuarial valuation obtained by the 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 3% from ₱152.8 million in 2020 to ₱147.7 million in 2021 due to the incurred net loss in 2021 amounting to ₱8.5 million, offset by other comprehensive gains recognized in 2021 amounting to ₱3.4 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 2021.

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 2021	Dec 31 2020	Increase (Decrease)		2021	2020
			Amount	%		
Interest Income	142,092	947,058	(804,966)	-85%	35%	75%
Dividend Income	259,129	319,476	(60,347)	-19%	65%	25%
Total Revenue	401,221	1,266,534	(865,313)	-68%	100%	100%
General and Administrative Expenses	(8,949,492)	(9,167,147)	217,655	-2%	-2231%	-724%
Total Costs and Expenses	(8,949,492)	(9,167,147)	217,655	-2%	-2231%	-724%
Gain on revaluation of properties	-	2,019,130	(2,019,130)	-100%	-0%	159%
Total Other Income(Loss)	-	2,019,130	(2,019,130)	-100%	-0%	159%
Net Loss	(8,548,271)	(5,881,483)	(2,666,788)	45%	-2131%	-464%
Net Loss Attributable to:						
Equity holders of the Parent Company	(8,419,648)	(5,869,322)	(2,550,326)	43%	-2099%	-463%
Non-controlling interests	(128,623)	(12,161)	(116,462)	958%	-32%	-1%
	(8,548,271)	(5,881,483)	(2,666,788)	45%	-2131%	-464%
Other Comprehensive Income (Loss)						
Unrealized mark-to-market gain/(loss) on available-for-sale financial assets	(95,385)	(794,875)	699,490	-88%	-24%	-63%
Remeasurement gain/(loss) on defined benefit obligation	3,491,033	(1,748,5616)	5,239,649	-300%	870%	-138%
Total Comprehensive Loss for the period	(5,152,623)	(8,424,974)	3,272,351	-39%	-1284%	-665%
Total Comprehensive Loss Attributable to:						
Equity holders of the Parent Company	(5,024,000)	(8,412,813)	3,388,813	-40%	-1252%	-664%
Non-controlling interests	(128,623)	(12,161)	(116,462)	958%	-32%	-1%
	(5,152,623)	(8,424,974)	3,272,351	-39%	-1284%	-665%

APC Group, Inc. reported consolidated net loss of ₱8.5 million for 2021, 45% higher than the ₱5.9 million net loss reported in the previous year.

Revenue

The Company recorded revenues of ₱0.4 million for the year ended 2021, 68% lower than the ₱1.3 million revenues recognized in 2020. This decrease is mainly brought about by the lower interest income from cash and money market placements for 2021 given the also lower amount of cash. Dividends received from the Company's financial assets through FVOCI is also lower.

Costs and Expenses

The Company recorded ₱9.0 million in costs and expenses for the year, 2% lower than the ₱9.2 million in 2020 due mostly to lower salaries because of a decrease in headcount.

Other Income (Loss)

Other income of the Company in 2020 pertains to the ₱2.0 million gain in revaluation of its investment property based on the latest actuarial valuation from a third party. There is no revaluation in 2021.

Other Comprehensive Income (Loss)

Other comprehensive income pertains to the unrealized mark to market gains and losses on the Company's financial assets through FVOCI, which decreased in share price as of the end of the year and the remeasurement loss on defined benefit obligation. Other comprehensive gain is at ₱3.4 million in 2021, for a total comprehensive loss of ₱5.2 million for the year.

As of December 31, 2021, 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 Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company'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 company, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company 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 Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- The Company does not foresee any liquidity problem over the next twelve (12) months.

PLAN OF OPERATION

The Company 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 Company.

For the Financial Year Ended 2020 compared to Year Ended 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31 2020	Dec 31 2019	Increase (Decrease)		2020	2019
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equiv alents	21,475,809	137,491,340	(116,015,531)	-84%	8%	50%
Receivables	3,702,273	1,585,194	2,117,079	134%	1%	1%
Other current assets	15,940	2,586	13,354	516%	0%	0%
Total current assets	25,194,022	139,079,120	(113,885,098)	-82%	9%	51%
Noncurrent Assets						
Property and equipment	34,712	62,234	(27,522)	-44%	0%	0%
Investment properties	12,048,000	10,028,870	2,019,130	20%	5%	4%
Financial assets at FVOCI	2,829,755	3,624,630	(794,875)	-22%	1%	1%
Deferred exploration costs	218,013,500	111,520,001	106,493,499	95%	82%	41%
Input value added tax	9,282,133	8,962,888	319,245	4%	3%	3%
Other noncurrent assets - net	23,822	23,822	-	0%	0%	0%
Total noncurrent assets	242,231,922	134,222,445	108,009,477	80%	91%	49%
Total Assets	267,425,944	273,301,565	(5,875,621)	-2%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	28,652,844	28,627,801	25,043	0%	11%	10%
Advances from related parties	79,978,631	79,978,631	-	0%	30%	29%
Total current liabilities	108,631,475	108,606,432	25,043	0%	41%	40%
Noncurrent Liabilities						
Accrued retirement costs	5,966,007	3,441,697	2,524,310	73%	2%	1%
Total Liabilities	114,597,482	112,048,129	2,549,353	2%	43%	41%
Equity						
Capital Stock	63,880,788	6,388,078,749	(6,324,197,961)	-99%	24%	2337%
Additional paid-in capital	144,295,958	1,613,942,096	(1,469,646,138)	-91%	54%	591%
Cumulative change in fair value of financial assets at FVOCI	1,981,754	2,776,629	(794,875)	-29%	1%	1%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Remeasurement loss on defined benefit obligation	(3,986,494)	(2,237,878)	(1,748,616)	78%	-1%	-1%
Deficit	(13,903,180)	(7,801,877,957)	7,787,974,777	-100%	-5%	-2855%
Treasury shares	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Equity Attributable to Parent Company	159,693,371	168,106,184	(8,412,813)	-5%	60%	62%
Non-controlling interests	(6,864,909)	(6,852,748)	(12,161)	0%	-3%	-3%
Total Equity	152,828,462	161,253,436	(8,424,974)	-5%	57%	59%
Total Liabilities and Equity	267,425,944	273,301,565	(5,875,621)	-2%	100%	100%

Assets

The Company recorded consolidated assets of ₱267.4 million as at December 31, 2020, lower by 2% from ₱273.3 million in 2019. The main movements in the balance sheet are as follows:

- Cash and cash equivalents decreased by 84% from ₱137.5 million as at December 31, 2019 to ₱21.5 million as at December 31, 2020. This decrease is mainly due to the increase in the Company's contributions to the Kalinga Geothermal Project (recorded under "Deferred Exploration costs") by ₱106.5 million for the year coupled with the payment of the Company's expenses and offset in part by the cash earned as interest and dividend income in 2020.
- Financial assets at FVOCI decreased by 22% as a result of the movement in stock prices of the shares held by the Company as of December 31, 2020.
- Investment property pertain to land owned by the Company located in Ginatillan, Cebu. The increase in this account is due to the increase in value of the properties based on the latest actuarial valuation report.

Liabilities

Total liabilities as at December 31, 2020 of the Company amounted to ₱114.6 million, increasing by 2% versus liabilities as at December 31, 2019 by ₱2.6 million mainly due to the increase in the Company's defined benefit obligation based on the latest actuarial valuation obtained by the 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 5% from ₱161.3 million in 2019 to ₱152.8 million in 2020 due to the incurred net loss and other comprehensive losses recognized in 2020 amounting to ₱5.9 million and ₱2.5 million, respectively.

The Company does not foresee any cash flow problems during the next twelve months. The Company has enough cash to meet cash requirements in 2020.

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 2020	Dec 31 2019	Increase (Decrease)		2020	2019
			Amount	%		
Interest Income	947,058	4,651,666	(3,704,608)	-80%	75%	94%
Dividend Income	319,476	319,476	-	0%	25%	6%
Total Revenue	1,266,534	4,971,142	(3,704,608)	-75%	100%	100%
General and Administrative Expenses	(9,167,147)	(10,264,576)	1,097,429	-11%	-724%	-206%
Total Costs and Expenses	(9,167,147)	(10,264,576)	1,097,429	-11%	-724%	-206%
Gain on revaluation of properties	2,019,130	-	2,019,130	100%	159%	0%
Total Other Income(Loss)	2,019,130	-	2,019,130	100%	159%	0%
Net Loss	(5,881,483)	(5,293,434)	(588,049)	11%	-464%	-106%
Net Loss Attributable to:						
Equity holders of the Parent Company	(5,869,322)	(5,274,618)	(594,704)	11%	-463%	-106%
Non-controlling interests	(12,161)	(18,816)	6,655	-35%	-1%	0%
	(5,881,483)	(5,293,434)	(588,049)	11%	-464%	-106%
Other Comprehensive Income (Loss)						
Unrealized mark-to-market gain/(loss) on available-for-sale financial assets	(794,875)	(1,547,491)	752,616	-49%	-63%	-31%
Remeasurement loss on defined benefit obligation	(1,748,616)	-	(1,748,616)	-100%	-138%	0%
Total Comprehensive Loss for the period	(8,424,974)	(6,840,925)	(1,584,049)	23%	-665%	-138%
Total Comprehensive Loss Attributable to:						
Equity holders of the Parent Company	(8,412,813)	(6,822,109)	(1,590,704)	23%	-664%	-137%
Non-controlling interests	(12,161)	(18,816)	6,655	-35%	-1%	0%
	(8,424,974)	(6,840,925)	(1,584,049)	23%	-665%	-138%

APC Group, Inc. reported consolidated net loss of ₱5.9 million for 2020, 11% higher than the ₱5.3 million net loss reported in the previous year.

Revenue

The Company recorded revenues of ₱1.27 million for the year ended 2020, 75% lower than the ₱4.9 million revenues recognized in 2019. This decrease is mainly brought about by the lower interest income from cash and money market placements for 2020 given the also lower amount of cash. Dividends received from the Company's financial assets through FVOCI remain the same.

Costs and Expenses

The Company recorded ₱9.2 million in costs and expenses for the year, 11% lower than the ₱10.3 million in 2019 due mostly to lower salaries because of a decrease in headcount.

Other Income (Loss)

Other income of the Company in 2020 pertains to the ₱2.0 million gain in revaluation of its investment property based on the latest actuarial valuation from a third party.

Other Comprehensive Income (Loss)

Other comprehensive income pertains to the unrealized mark to market gains and losses on the Company's financial assets through FVOCI, which decreased in share price as of the end of the year and the remeasurement loss on defined benefit obligation. Other comprehensive loss is at ₱ 2.5 million in 2020, for a total comprehensive loss of ₱8.4 million for the year.

As of December 31, 2020, 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 Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company'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 company, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company 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 Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- The Company does not foresee any liquidity problem over the next twelve (12) months.

PLAN OF OPERATION

The Company 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 Company.

For The Financial Year Ended 2019 compared to Year Ended 2018

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>Amounts in Pesos, except percentages</i>	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31, 2019	Dec 31, 2018	Inc (Dec)		2019	2018
			Amount	%		
Interest income	4,651,666	3,569,449	1,082,217	30%	94%	93%
Dividend income	319,476	279,224	40,252	14%	6%	7%
Total revenues	4,971,142	3,848,673	1,122,469	29%	100%	100%
General and administrative expenses	(10,264,576)	(12,350,727)	2,086,151	-17%	-206%	-321%
Total costs and expenses	(10,264,576)	(12,350,727)	2,086,151	-17%	-206%	-321%
Loss on sale of investment property	-	(3,015,807)	3,015,807	-100%	0%	-78%
Total other income / (loss)	-	(3,015,807)	3,015,807	-100%	0%	-78%
Net Loss	(5,293,434)	(11,517,861)	6,224,427	-54%	-106%	-299%
Net loss attributable to:						
Equity holders of the Parent Company	(5,274,618)	(11,470,031)	6,195,413	-54%	-106%	-298%
Non-controlling interests	(18,816)	(47,830)	29,014	-61%	0%	-1%
	(5,293,434)	(11,517,861)	6,224,427	-54%	-106%	-299%

APC Group, Inc. reported consolidated net loss of ₱5.3 million for 2019, 54% better than the ₱11.5 million net loss reported in the previous year.

Revenue

The Company recorded revenues of ₱5.0 million for the year ended 2019, 19% higher than the ₱3.8 million revenues recognized in 2018. The increase in revenue is due to the Company's higher interest income from money market placements during the period. In addition, dividend income increased by 14% in 2019 due to higher dividends declared and paid from the Company's financial assets at fair value through other comprehensive income (FVOCI).

Costs and Expenses

The Company's costs and expenses amounting to ₱10.3 million in 2019 is 17% lower than the ₱12.4 million expenses recorded in 2018 due to the one-time expenses incurred by the Company in 2018 comprising of capital gains taxes from the sale of investment property and additional documentary stamp taxes paid during the year.

Other Income (Loss)

In 2018, the Company incurred a loss of ₱3.0 million from the sale of investment properties with a total fair market value of ₱12.3 million.

Amounts in Pesos, except percentages	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31, 2019	Dec 31, 2018	Inc (Dec)		2019	2018
			Amount	%		
Net Loss	(5,293,434)	(11,517,861)	6,224,427	-54%	-106%	-299%
Other Comprehensive Income (Loss)						
<i>Item not to be reclassified to profit or loss in subsequent periods</i>						
Change in fair value of financial assets at FVOCI	(1,547,491)	(3,497,450)	1,949,959	-56%	-31%	-91%
Total Comprehensive Loss	(6,840,925)	(15,015,311)	8,174,386	-54%	-138%	-390%
Total comprehensive loss attributable to:						
Equity holders of the Parent Company	(6,822,109)	(14,967,481)	8,145,372	-54%	-137%	-389%
Non-controlling interests	(18,816)	(47,830)	29,014	-61%	0%	-1%
	(6,840,925)	(15,015,311)	8,174,386	-54%	-138%	-390%

Total Comprehensive Loss

The Company incurred unrealized loss amounting to ₱1.5 million in 2019 due to the movement in the share price of its financial assets at FVOCI. This resulted to total comprehensive loss of ₱6.8 million for 2019.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in Pesos, except percentages	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31, 2019	Dec 31, 2018	Inc (Dec)		2019	2018
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equivalents	137,491,340	144,787,138	(7,295,798)	-5%	50%	52%
Receivables	1,585,194	300,718	1,284,476	427%	1%	0%
Other current assets	2,585	11,515	(8,930)	-78%	0%	0%
Total Current Assets	139,079,119	145,099,371	(6,020,252)	-4%	51%	52%
Noncurrent Assets						
Property and equipment	62,234	15,620	46,614	298%	0%	0%
Investment property	10,028,870	10,028,870	-	0%	4%	4%
Financial assets at FVOCI	3,624,630	5,172,121	(1,547,491)	-30%	1%	2%
Deferred exploration costs	111,520,001	110,878,886	641,115	1%	41%	40%
Input value added tax (VAT)	8,962,888	8,704,647	258,241	3%	3%	3%
Other noncurrent assets	23,822	23,822	-	0%	0%	0%
Total Noncurrent Assets	134,222,445	134,823,966	(601,521)	0%	49%	48%
	273,301,564	279,923,337	(6,621,773)	-2%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	28,627,801	28,449,031	178,770	1%	10%	10%
Advances from a related party	79,978,631	80,047,381	(68,750)	0%	29%	29%
Total Current Liabilities	108,606,432	108,496,412	110,020	0%	40%	39%
Noncurrent Liabilities						
Accrued retirement costs	3,441,697	3,170,606	271,091	9%	1%	1%
Other noncurrent liabilities	-	161,959	(161,959)	-100%	0%	0%
Total Noncurrent Liabilities	3,441,697	3,332,565	109,132	3%	1%	1%
Total Liabilities	112,048,129	111,828,977	219,152	0%	41%	40%
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	6,388,078,749	6,388,078,749	-	0%	2337%	2282%
Additional paid-in capital	1,613,942,096	1,613,942,096	-	0%	591%	577%
Cumulative change in FVOCI	2,776,629	4,324,120	(1,547,491)	-36%	1%	2%
Remeasurement loss on defined benefit obligation	(2,237,878)	(2,237,878)	-	0%	-1%	-1%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Deficit	(7,801,877,957)	(7,796,603,339)	(5,274,618)	0%	-2855%	-2785%
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Total Equity Attr to Equity Holders of the Parent Company	168,106,184	174,928,293	(6,822,109)	-4%	62%	62%
Non-controlling Interests	(6,852,749)	(6,833,933)	(18,816)	0%	-3%	-2%
Total Equity	161,253,435	168,094,360	(6,840,925)	-4%	59%	60%
TOTAL LIABILITIES and EQUITY	273,301,564	279,923,337	(6,621,773)	-2%	100%	100%

Assets

The Company recorded consolidated assets of ₱273.3 million as at December 31, 2019, lower by 2% from ₱279.9 million in 2018. The main movements in the balance sheet are as follows:

- Cash and cash equivalents amounted to ₱137.5 million as of December 31, 2019, 5% lower compared to ₱144.8 million as of December 31, 2018. The decrease was mainly attributable to the payment of the Company expenses and payables for the year.
- Financial assets at FVOCI decreased by 30% as a result of the movement in stock prices of the shares held by the Company as of December 31, 2019.
- Deferred exploration costs increased by 1% due to additional expenses for the Kalinga Geothermal Project.

Liabilities

There is no significant movement in the Company's total liabilities as of December 31, 2019.

Equity

Stockholders' equity decreased by 4% from ₱168.1 million in 2018 down to ₱161.3 million in 2019 due to the incurred net loss and change in fair value of financial assets at FVOCI recognized in 2019 amounting to ₱5.3 million and ₱1.5 million, respectively.

The Company does not foresee any cash flow problems during the next twelve months. The Company has enough cash to meet cash requirements in 2020.

There were no off-balance sheet transactions.

As of December 31, 2019, 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 Company;
- Material commitments for capital expenditure;
- Known trends, events or uncertainties that are expected to have a material impact on revenues from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations aside from those mentioned in this report;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company from the year ended December 31, 2019 to May 31, 2020.

PLAN OF OPERATION

The Company 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.

For the Financial Year Ended 2018 compared to Year Ended 2017

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31 2018	Dec 31 2017	Increase (Decrease)		2018	2017
			Amount	%		
Interest Income	3,569,449	3,900,176	(330,727)	-8%	93%	96%
Dividend Income	279,224	178,688	100,536	56%	7%	4%
Total Revenue	3,848,673	4,078,864	(230,191)	-6%	100%	100%
General and Administrative Expenses	(12,350,727)	(20,511,515)	8,160,788	-40%	-321%	-503%
Total Costs and Expenses	(12,350,727)	(20,511,515)	8,160,788	-40%	-321%	-503%
Loss on Sale of Investment Properties	(3,015,807)	-	(3,015,807)	-100%	-78%	0%
Other Income/Loss	-	17,816	(17,816)	-100%	0%	0%
Total Other Income(Loss)	(3,015,807)	17,816	(3,033,623)	-17028%	-78%	0%
Net Loss	(11,517,861)	(16,414,835)	4,896,974	-30%	-299%	-402%
Net Loss Attributable to:						
Equity holders of the Parent Company	(11,470,031)	(16,324,751)	4,854,720	-30%	-298%	-400%
Non-controlling interests	(47,830)	(90,084)	42,254	-47%	-1%	-2%
	(11,517,861)	(16,414,835)	4,896,974	-30%	-299%	-402%

APC Group, Inc. reported consolidated net loss of ₱11.5 million for 2018, 30% better than the ₱16.4 million net loss reported in the previous year.

Revenue

The Company recorded revenues of ₱3.8 million for the year ended 2018, 6% lower than the ₱4.1 million revenues recognized in 2017. This decrease in revenue is due to the Company's lower interest income from money market placements because the cash and cash equivalent decreased by 26% during the period. On the other hand, dividend income increased by 56% in 2018 due to higher dividends declared and paid from the Company's available-for-sale (AFS) investments.

Costs and Expenses

The Company's costs and expenses amounting to ₱12.4 million in 2018 is 40% lower than the ₱20.5 million expenses recorded in 2017 due to the one-time expenses incurred by the Company in 2017 comprising of the listing fee and professional fees paid amounting to ₱4.9 million and ₱2.9 million, respectively.

Other Income (Expenses)

The Company incurred a loss of ₱3.0 million from the sale of investment properties with a total fair market value of ₱12.3 million.

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31 2018	Dec 31 2017	Increase (Decrease)		2018	2017
			Amount	%		
Net Loss	(11,517,861)	(16,414,835)	4,896,974	-30%	-299%	-402%
Other Comprehensive Income (Loss)						
Unrealized mark-to-market gain/(loss) on available-for-sale financial assets	(3,497,450)	1,144,620	(4,642,070)	-406%	-91%	28%
Remeasurement gain on defined benefit obligation	-	625,727	(625,727)	-100%	0%	15%
Total Comprehensive Loss for the period	(15,015,311)	(14,644,488)	(370,823)	3%	-390%	-359%
Total Comprehensive Loss Attributable to:						
Equity holders of the Parent Company	(14,967,481)	(14,554,404)	(413,077)	3%	-389%	-357%
Non-controlling interests	(47,830)	(90,084)	42,254	-47%	-1%	-2%
	(15,015,311)	(14,644,488)	(370,823)	3%	-390%	-359%

Comprehensive Loss

The Company incurred unrealized loss amounting to ₱3.5 million in 2018 due to the movement in the share price of its AFS. This resulted to total comprehensive loss of ₱15.0 million for 2018.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Pesos, except percentages)	Year on Year		Horizontal Analysis		Vertical Analysis	
	Dec 31 2018	Dec 31 2017	Increase (Decrease)		2018	2017
			Amount	%		
ASSETS						
Cash and cash equivalents	144,787,138	196,586,234	(51,799,096)	26%	665%	
Trade and other receivables - net	300,718	941,677	(640,959)	-68%	0%	0%
Available-for-sale financial assets	5,172,121	8,669,571	(3,497,450)	-40%	2%	3%
Other current assets	8,716,162	8,504,516	211,646	2%	3%	
Property and equipment	15,620	24,546	(8,926)	-36%	0%	0%
Investment properties	10,028,870	22,374,000	(12,345,130)	-55%	4%	8%
Other noncurrent assets - net	110,902,708	59,892,558	51,010,150	85%	20%	
Total Assets	279,923,337	296,993,102	(17,069,765)	-6%	100%	100%
LIABILITIES AND EQUITY						
Trade and other payables	28,449,031	31,051,650	(2,602,619)	8%	110%	
Advances from related parties	80,047,381	80,004,536	42,845	9%	27%	
Subscriptions payable	161,959	161,959	-	0%	0%	
Accrued retirement costs	3,170,606	2,665,286	505,320	19%	1%	1%
Total Liabilities	111,828,977	113,883,431	(2,054,454)	-2%	40%	38%
Capital Stock	6,388,078,749	6,388,078,749		228 0%	2151%	
Additional paid-in capital	1,613,942,096	1,613,942,096		57 0%	543%	
Unrealized mark-to-market gain on available-for-sale financial assets	4,324,120	7,821,570	(3,497,450)	-45%	2%	3%
Gain on dilution	226,304	226,304		0%	0%	
Remeasurement loss on defined benefit obligation	(2,237,878)	(2,237,878)	-	0%	-1%	
Deficit	(7,796,603,339)	(7,785,133,308)	(11,470,031)	0%	-2785%	-2621%
Treasury shares	(29,435,220)	(29,435,220)		-1 0%	-10%	
Equity Attributable to Non-controlling Interests	(10,200,472)	(10,152,642)	(47,830)	0%	-3%	
Total Equity	168,094,360	183,109,671	(15,015,311)	-8%	60%	62%
Total Liabilities and Equity	279,923,337	296,993,102	(17,069,765)	-6%	100%	100%

Assets

The Company recorded consolidated assets of ₱279.9 million as at December 31, 2018, lower by 6% from ₱297.0 million in 2017. The main movements in the balance sheet are as follows:

- Cash and cash equivalents amounted to ₱144.8 million as of December 31, 2018, 26% lower compared to ₱196.6 million as of December 31, 2017. The decrease was mainly attributable to the additional exploration costs of Aragorn Power and Energy Corporation (a subsidiary) (APEC) and the release of the 2nd tranche funds for the Kalinga project community development scholarships for the school year 2017-2018 which are presented as part of Other noncurrent assets account. The decrease was slightly offset by the collection from the sale of investment properties.
- Available-for-sale financial assets decreased by 40% as a result of the movement in stock prices of the shares held by the Company as of December 31, 2018.
- Investment property decreased by 55% or ₱12.3 million due to the sale of parcels of lots in Cebu in 2018.
- Other noncurrent assets increased by 85% due to the additional deferred exploration costs of APEC.

Liabilities

The Company's consolidated liabilities decreased slightly by 2% due to the release of the 2nd tranche funds for community development scholarships for the school year 2017-2018.

Equity

Stockholders' equity decreased by 8% from ₱183.1 million in 2017 down to ₱168.1 million in 2018 due to comprehensive net loss and unrealized mark-to-market loss on AFS recognized in 2018 amounting to ₱11.5 million and ₱3.5 million, respectively.

The Company does not foresee any cash flow problems during the next twelve months. The Company has enough cash to meet cash requirements in 2019.

There were no off-balance sheet transactions.

As of December 31, 2018, 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 Company;
- Material commitments for capital expenditure;
- Known trends, events or uncertainties that are expected to have a material impact on revenues from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations aside from those mentioned in this report;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company from the year ended December 31, 2018 to December 31, 2017.

PLAN OF OPERATION

The Company 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.

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 Company'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 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 Company 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 Company'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 Company.

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

Financial Ratios	YTD	YTD
	31 December 2021	31 December 2020
Return on Assets Ratio	(0.03)	(0.02)
Return on Equity Ratio	(0.06)	(0.04)
Current Ratio	0.15	0.23
Debt to Equity Ratio	0.75	0.75
Asset to Equity Ratio	1.75	1.75

Discussion on the key performance indicators

Return on Assets Ratio and Return on Equity Ratio

The Company's ROA and ROE for 2021 and 2020 are negative due to the reported net losses for both years. There is no significant movement in these ratios from 2020 to 2021.

Current Ratio

Current Ratio decreased from 0.23 in 2020 to 0.15 in 2021 largely due to the decrease in cash used to pay the Company's expenses. This resulted to a decrease in cash balance and increase in Deficit under Equity Attributable to Parent Company.

Debt to Equity Ratio

There is no significant change in the Company's debt to equity ratio as of December 31, 2021 and 2020.

Assets to Equity Ratio

There is no significant change in the Company's assets to equity ratio as of December 31, 2021 and 2020.

Key Variables and other Qualitative and Quantitative Factors

The Company expects no material commitments for capital expenditures and expected funds in 2021. To the best of the Company'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. 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 Company's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity.

1st Quarter 2021 Management's Discussion and Analysis

Item 1. Financial Statements

APC GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 12,080,443	P 13,976,898
Trade and other receivables - net	3,046,579	2,643,369
Other current assets	7,009	15,940
Total Current Assets	15,134,032	16,636,207
Noncurrent Assets		
Property and equipment	8,677	13,884
Investment property	12,048,000	12,048,000
Financial assets at fair value through other comprehensive income	2,925,140	2,734,370
Deferred exploration costs and other noncurrent assets	227,733,297	227,645,628
Total Noncurrent Assets	242,715,114	242,441,882
	P 257,849,146	P 259,078,089
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P 28,197,126	P 28,141,965
Advances from a related party	79,978,631	79,978,631
Total Current Liabilities	108,175,756	108,120,596
Noncurrent Liabilities		
Accrued retirement costs	3,281,654	3,281,654
Total Noncurrent Liabilities	3,281,654	3,281,654
Total Liabilities	111,457,410	111,402,250
Equity Attributable to Equity Holders of the Parent Company		
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	2,077,139	1,886,369
Remeasurement loss on defined benefit obligation	(495,461)	(495,461)
Equity reserves	(3,140,235)	(3,140,235)
Deficit	(23,782,701)	(22,322,828)
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)
Total Equity Attributable to Equity Holders of the Parent Company	153,400,268	154,669,371
Equity Attributable to Non-controlling Interests	(7,008,533)	(6,993,532)
Total Equity	146,391,736	147,675,839
	P 257,849,146	P 259,078,089

APC GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2022		2021	
	1st Quarter	Year-to-date	1st Quarter	Year-to-date
	January to March	(January to March)	January to March	(January to March)
INCOME				
Interest income	P 30,938	P 30,938	P 44,287	P 44,287
Dividend income	-	-	-	-
	30,938	30,938	44,287	44,287
EXPENSES				
General and administrative expenses	(1,505,811)	(1,505,811)	(2,499,534)	(2,499,534)
NET LOSS BEFORE AND AFTER INCOME TAX	(1,474,873)	(1,474,873)	(2,455,247)	(2,455,247)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized loss on financial assets at fair value through other comprehensive income	190,770	190,770	(317,950)	(317,950)
TOTAL COMPREHENSIVE LOSS	P (1,284,103)	P (1,284,103)	P (2,773,197)	P (2,773,197)
Net Loss Attributable to:				
Equity holders of the Parent Company		(1,459,873)		(2,411,880)
Non-controlling interests		(15,000)		(43,367)
	P	(1,474,873)	P	(2,455,247)
Total Comprehensive Loss Attributable to:				
Equity holders of the Parent Company		(1,269,103)		(2,729,830)
Non-controlling interests		(15,000)		(43,367)
	P	(1,284,103)	P	(2,773,197)
Basic/Diluted Loss Per Common Share				
(P-1,459,873/7,504,203,997) March 31, 2022	P	(0.000195)		
(P-2,411,880/7,504,203,997) March 31, 2021			P	(0.000321)
Weighted average number of common shares:				
Total common shares		7,511,809,997		7,511,809,997
Less: Treasury shares		7,606,000		7,606,000
Weighted average common shares		7,504,203,997		7,504,203,997

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

For the Three Months Ended March 31				
		2022		2021
		(Unaudited)		(Unaudited)
Authorized:				
Preferred stock - P0.01 par value		6,000,000,000 shares		6,000,000,000 shares
Common stock - P0.01 par value		14,000,000,000 shares		14,000,000,000 shares
<hr/>				
Issued	P	59,981,491	P	59,981,491
Subscribed (net of subscription receivable)		3,899,297		3,899,297
Capital stock		63,880,787		63,880,787
Additional paid-in capital		144,295,958		144,295,958
<hr/>				
Unrealized gain/loss on financial assets at fair value through other comprehensive income				
Balance at the beginning of period		1,886,369		1,981,754
Other comprehensive income		190,770		(317,950)
Balance at the end of period		2,077,139		1,663,804
<hr/>				
Remeasurement loss on defined benefit obligation				
		(495,461)		(3,986,494)
Equity Reserves		(3,140,235)		(3,140,235)
<hr/>				
Deficit				
Balance at the beginning of period		(22,322,828)		(13,903,180)
Adjustment from quasi-reorganization		-		-
Net loss		(1,459,873)		(2,411,880)
Balance at the end of period		(23,782,701)		(16,315,060)
Treasury shares - 7,606,000 shares		(29,435,220)		(29,435,220)
Minority interest		(7,008,533)		(6,908,277)
<hr/>				
	P	146,391,735	P	150,055,263

APC GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31			
	2022		2021	
	(Unaudited)		(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	P	(1,474,873)	P	(2,455,247)
Adjustments for:				
Interest income		(30,938)		(44,287)
Dividend income		-		-
Depreciation and amortization		5,207		5,206
Operating loss before working capital changes		(1,500,604)		(2,494,328)
Decrease (increase) in:				
Trade and other receivables		(403,210)		(1,455,884)
Other current assets		8,931		-
Decrease in:				
Trade and other payables		55,161		(175,722)
Advances from a related party		(0)		-
Cash used in operations		(1,839,724)		(4,125,934)
Interest received		30,938		44,287
Dividends received		-		-
Net cash used in operating activities		(1,808,786)		(4,081,647)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in deferred exploration costs and noncurrent assets		(87,669)		(73,454)
Net cash used in investing activities		(87,669)		(73,454)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
		(1,896,455)		(4,155,101)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD				
		13,976,898		21,475,809
CASH AND CASH EQUIVALENTS AT END OF PERIOD				
	P	12,080,443	P	17,320,708

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

Consolidated Statements of Financial Position

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2022	2021
ASSETS						
Current Assets						
Cash and cash equivalents	₱ 12,080,443	₱ 13,976,898	(1,896,455)	-14%	5%	5%
Trade and other receivables - net	3,046,579	2,643,369	403,210	15%	1%	1%
Other current assets	7,009	15,940	(8,931)	-56%	0%	0%
Total Current Assets	15,134,032	16,636,207	(1,502,175)	-9%	6%	6%
Noncurrent Assets						
Property and equipment	8,677	13,884	(5,207)	-38%	0%	0%
Investment property	12,048,000	12,048,000	-	0%	5%	5%
Financial assets at fair value through other comprehensive income	2,925,140	2,734,370	190,770	7%	1%	1%
Deferred exploration costs and other noncurrent assets	227,733,297	227,645,628	87,669	0%	88%	88%
Total Noncurrent Assets	242,715,114	242,441,882	273,232	0%	94%	94%
	₱ 257,849,146	₱ 259,078,089	(1,228,943)	0%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 28,197,126	₱ 28,141,965	55,161	0%	11%	11%
Advances from a related party	79,978,631	79,978,631	(0)	0%	31%	31%
Total Current Liabilities	108,175,756	108,120,596	55,160	0%	42%	42%
Noncurrent Liabilities						
Accrued retirement costs	3,281,654	3,281,654	-	0%	1%	1%
Total Noncurrent Liabilities	3,281,654	3,281,654	-	0%	1%	1%
Total Liabilities	111,457,410	111,402,250	55,160	0%	43%	43%
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	63,880,788	63,880,788	-	0%	25%	25%
Additional paid-in capital	144,295,958	144,295,958	0	0%	56%	56%
Unrealized gain on financial assets at fair value through other comprehensive income	2,077,139	1,886,369	190,770	10%	1%	1%
Remeasurement loss on defined benefit obligation	(495,461)	(495,461)	-	0%	0%	0%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Deficit	(23,782,701)	(22,322,828)	(1,459,873)	7%	-9%	-9%
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	153,400,268	154,669,371	(1,269,103)	-1%	59%	60%
Equity Attributable to Non-controlling Interests	(7,008,533)	(6,993,532)	(15,001)	0%	-3%	-3%
Total Equity	146,391,736	147,675,839	(1,284,103)	-1%	57%	57%
	₱ 257,849,146	₱ 259,078,089	(1,228,943)	0%	100%	100%

As of March 31, 2022, consolidated assets of APC Group, Inc. and its subsidiaries (the Company) amounted to ₱257.8M million, ₱1.2 million (0.5%) lower compared to the December 31, 2021 balance of ₱259.1 million.

- Cash decreased mainly due to the disbursements for the general and administrative expenses amounted to ₱1.5 million and the reimbursable expenses related to the Kalinga Project presented as part of the receivables in the consolidated statement of financial position.

The Company's consolidated liabilities amounted to ₱111 million. The movement in this account pertains to the payment of the accrued and other payables.

Total equity as of March 31, 2022 and December 31, 2021 amounted to ₱146.4 million and ₱147.7 million, respectively. The decline, amounting to ₱1.3 million, is attributable to the comprehensive loss incurred during the period.

There were no off-balance sheet transactions.

Consolidated Statements of Comprehensive Income

	2022		2021		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	%	2022 %	2021 %
INCOME								
Interest income	P 30,938	P 30,938	P 44,287	P 44,287	(13,349)	-30%	100%	100%
Dividend income	-	-	-	-	-	0%	0%	0%
	30,938	30,938	44,287	44,287	(13,349)	-30%	100%	100%
EXPENSES								
General and administrative expenses	(1,505,811)	(1,505,811)	(2,499,534)	(2,499,534)	993,723	-40%	-4867%	-5644%
NET LOSS BEFORE AND AFTER INCOME TAX	(1,474,873)	(1,474,873)	(2,455,247)	(2,455,247)	980,374	-40%	-4767%	-5544%
OTHER COMPREHENSIVE INCOME (LOSS)								
Unrealized loss on financial assets at fair value through other comprehensive income	190,770	190,770	(317,950)	(317,950)	508,720	0%	617%	-718%
TOTAL COMPREHENSIVE LOSS	P (1,284,103)	P (1,284,103)	P (2,773,197)	P (2,773,197)	1,489,094	-54%	-4151%	-6262%

The Company ended the 1st quarter of 2022 with total net loss of Php1.5 million. This lower net loss versus the loss incurred in the same period in 2021 is attributable mainly to the decrease in general and administrative expenses of the Company due to filing fee for increase in ACS of APEC last year and lower manpower count this year.

Unrealized mark-to-market gain on its investments at FVOCI contributed to bringing the Company's comprehensive loss to ₱1.3 million as of March 31, 2022.

As of March 31, 2022, 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 Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company'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 Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended March 31, 2022 and March 31, 2021, except those mentioned above.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its subsidiaries. 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 Company'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 Company 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 Company'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 Company.

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

	YTD March 31, 2022	YTD December 31, 2021	YTD March 31, 2021
Return on Assets Ratio	(0.01)	(0.03)	(0.01)
Return on Equity Ratio	(0.01)	(0.06)	(0.02)
Current Ratio	0.14	0.15	0.26
Debt to Equity Ratio	0.76	0.75	0.72
Asset to Equity Ratio	1.76	1.75	1.72

Discussion on the key performance indicators

Return on Assets Ratio and Return on Equity Ratio

The Company's ROA and ROE as of March 31, 2022 and 2021 are negative due to the reported net loss for both years. There is no significant change in the ROA and ROE of the Company as of March 31, 2022 and 2021.

Current Ratio

Current ratio decreased from 0.15 as of December 31, 2021 to 0.14 as of March 31, 2022 due to the decline in the cash balance of the Company as discussed above.

Debt to Equity Ratio

Debt to Equity ratio increased from 0.75 as of December 31, 2021 to 0.76 as of March 31, 2022 due to the reported net loss this quarter.

Assets to Equity Ratio

Asset to Equity ratio increased from 1.75 as of December 31, 2021 to 1.76 as of March 31, 2022 due to the reported net loss this quarter.

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 “Company”):

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

(1) Still in exploration stage

(2) Still in the pre-operating stage

2. RISK EXPOSURES

Financial Risk Management

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company’s objectives are achieved. The Company’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 Company’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 Company’s risk management framework. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Company.

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

The main risks arising from the Company’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 Company 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 customers and counter parties to fulfill their obligations on maturity dates or due to adverse market conditions. Exposure to credit risk arises primarily from its financing activities.

Generally, the credit risk of the Company is attributable to financial assets at amortized cost. The Company maintains credit policies and continuously monitors defaults of 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 Company 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 Company’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 Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's credit standing.

The Company seeks to manage its liquid funds through cash planning on a weekly basis. As part of its liquidity risk management, the Company 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 Company's investments in equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company 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 Company's senior management on a regular basis. The Company's BOD reviews and approves all equity investment decisions.

There is no material change in the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks on its March 31, 2022 interim financial statements compared to the December 31, 2021 audited consolidated financial statements of APC Group Inc.

Fair value of Financial Instruments

A comparison by category of the carrying values and estimated fair values of the Company's financial instruments that are carried in the consolidated financial statements as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Loans and receivables:				
Cash and cash equivalents*	12,072,695	12,072,695	13,969,150	13,969,150
Trade and other Receivables	3,046,579	3,046,579	2,643,369	2,643,369
Deposits**	23,822	23,822	23,822	23,822
AFS financial assets	2,925,140	2,925,140	2,734,370	2,734,370
Total financial assets	18,068,237	18,068,237	19,370,711	19,370,711
Financial liabilities -				
Other financial liabilities:				
Trade and other payables***	28,168,399	28,168,399	28,121,926	28,121,926
Advances from related parties	79,978,631	79,978,631	79,978,631	79,978,631
Total current financial liabilities	108,147,030	108,147,030	108,100,557	108,100,557

*Excluding cash on hand amounting to ₱7,748 as at March 31, 2022 and December 31, 2021

** 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 Company's assets and liabilities as at March 31, 2022 and December 31, 2021:

March 31, 2022					
	Total		Level 1		Level 3
Assets measured at fair value:					
Investment properties	₱	12,048,000	₱	–	₱ 12,048,000
Financial assets at FVOCI		2,925,140		2,925,140	–
Total financial assets	₱	14,973,140	₱	2,925,140	₱ 12,048,000
December 31, 2021					
	Total		Level 1		Level 3
Assets measured at fair value:					
Investment properties	₱	12,048,000	₱	–	₱ 12,048,000
Financial assets at FVOCI		2,734,370		2,734,370	–
Total financial assets	₱	14,782,370	₱	2,734,370	₱ 12,048,000

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, 2022 and year ended December 31, 2021.

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, 2021.
- 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, 2022 and up to the date of this report that need disclosure herein.
- F.) There were no changes in the composition of the Company 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, 2021 and as of March 31, 2022.
- 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 2021 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 Financial Statements	Report
Report of Independent Auditors	
Consolidated Statement of Financial Position as of December 31, 2021 and 2020	CSFP
Consolidated Statements Comprehensive Income for the years ended December 31, 2021, 2020 and 2019	CSCI
Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020 and 2019	CSCE
Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019	CCFS
Notes to Consolidated Financial Statements	

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 Party)	Attached
C. Amount Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Attached
D. Intangible Assets - Other Assets	Attached
E. Long-term Debt	Not Applicable
F. Indebtedness to Related Parties	Not Applicable
G. Guarantees of Securities of Other Issuers	Not Applicable
H. Capital Stock	Attached
III. Financial Ratios – Key Performance Indicators	Attached
IV. Schedule of all the effective standards and interpretation	Attached
V. Reconciliation of Retained Earning Available for Dividend Declaration	Not Applicable

Compliance with Corporate Governance Practices

The Company remains focused on ensuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders. The following are measures being undertaken by the Company to fully comply with the adopted leading practices on good corporate governance.

Despite the restrictions imposed due to the on-going pandemic, the Company was able to comply with the guidelines set by the SEC on disclosures and holding of its Annual Stockholders' Meeting on August 10, 2020 via webinar as a virtual format.

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 2020, each of the Company's directors have complied with the requirements to continue carrying out their functions. Majority of the Board and Committee meetings were held virtually as allowed by the SEC during the quarantine period.

Below table shows the attendance of each board member in the meetings conducted during 2021:

Board of Directors	22-Feb-21	7-May-21	22-Jul-21 (Organizational)	22-Jul-21	5-Nov-21	16-Dec-21
Ocier, Willy	x	x	x	x	x	x
Aguirre, Ian Jason R. ¹	N/A	N/A	N/A	N/A	N/A	x
Alunan, Rafael M. III	x	x	x	x	x	x
Lim, Bernardo D. ²	x	x	x	x	x	N/A
Ongsip, Jackson T.	x	x	x	x	x	x
Santos, Tomas D. ³	x	x	N/A	N/A	N/A	N/A
Tan, Emundo L.	x	x	x	x	x	x
Tiu, Jerry C. ⁴	N/A	N/A	x	x	x	x
Yap, Virginia A.	x	x	x	x	x	x

¹ - elected on November 5, 2021

² - resigned on November 5, 2021

³ - end of term on July 22, 2021

⁴ - elected on July 22, 2021

Board Performance Evaluation

The Company conducts annual performance evaluations of the Board, its individual members and Board Committees to ensure optimum Board performance. In this evaluation process, directors identify areas for improvement, some of which are: the timeliness and integrity of information given to them, directors' access to management, the Corporate Secretary and Board Advisors, and other forms of assistance as needed. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues raised.

In line with governance best practices, the board evaluations may 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). This evaluation system was established by the Company to measure or determine the level of compliance of the Board and top-level management with the Company's Manual on Corporate Governance.

The Board members assessed the Board as a whole based on their balance/diversity, competencies, background and experience. Board efficiency and importance as well as board activities were also given the appropriate ratings.

The six (6) Board Committees were also assessed based on their performance.

Individual performances were also assessed based on independence, participation and diligence.

Likewise, Chairperson and CEO were assessed for their leadership, integrity, diligence and adherence to corporation governance, while the following key officers were also evaluated for the over-all performance:

1. Chief Finance Officer
2. Chief Risk Officer
3. Chief Compliance Officer
4. Internal Audit Head

The assessments for the 2020 and 2021 performances were conducted on May 7, 2021 and March 31, 2022, respectively.

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 Company plans to improve its corporate governance through these continuing education programs by applying appropriate and reasonable learnings to have a more effective and efficient policies.

The annual trainings for 2021 are as follows:

Board of Directors	Date	Training Provider	Venue	Topic
Tan, Edmundo L.	01-Sep-21	Banco de Oro Unibank	via Cisco Live Webex Event	The World is Changing – and so is Leadership The Impact of Geopolitics on Digital Business Design and Delivery for Customer Facing Digital Products A Board Guide to Artificial Intelligence and Use Cases Digital Leadership: Ride the Waves of Disruption
Ocier, Willy N.	30-Sep-21	Institute of Corporate Directors	via Zoom Meeting	Advanced Corporate Governance Training
Aguirre, Ian Jason R.				
Ongsip, Jackson T.				
Tiu, Jerry C.				
Yap, Virginia A.				
Alunan, Rafael III M.	26-Nov-21	Risks, Opportunities, Assessment and Opportunities, Inc.	via Zoom Meeting	Corporate Governance Seminar

Management also regularly attends roundtable discussions organized by the SEC, Philippine Stock Exchange and other regulators to be kept abreast of the new memorandum circulars, notices and advisories. The Board and Management are apprised of such, and thereafter cascaded to concerned employees for immediate implementation and full compliance.

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.

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.

Below are the Board Committee meetings held in 2021 which include the attendance of their respective members:

Executive Committee	22-Feb-21	16-Dec-21
Chairman	Ocier, Willy N.	Ocier, Willy N.
Member	Ongsip, Jackson T.	Aguirre, Jason R.
Member	Yap, Virginia A.	Yap, Virginia A.

Audit Committee	22-Feb-21	7-May-21	22-Jul-21	5-Nov-21
Chairman (ID)	Alunan, Rafael M.	Alunan, Rafael M.	Alunan, Rafael M.	Alunan, Rafael M.
Member	III Lim, Bernardo L.	III Lim, Bernardo L.	III Lim, Bernardo L.	III Lim, Bernardo L.
Member (ID)	Santos, Tomas D.	Santos, Tomas D.	Tiu, Jerry C.	Tiu, Jerry C.

Corporate Governance Committee	22-Feb-21	7-May-21	5-Nov-21
Chairman (ID)	Santos, Tomas D.	Santos, Tomas D.	Tiu, Jerry C.
Member (ID)	Alunan, Rafael M.	Alunan, Rafael M.	Alunan, Rafael M. III
Member	III Lim, Bernardo L.	III Lim, Bernardo L.	Lim, Bernardo L.

Compensation and Remuneration Committee	22-Feb-21	16-Dec-21
Chairman	Ocier, Willy N.	Ocier, Willy N.
Member	Tan, Edmundo L.	Tan, Edmundo L.
Member	Yap, Virginia A.	Yap, Virginia A.

Risk Oversight Committee	22-Feb-21	5-Nov-21
Chairman	Lim, Bernardo	Lim, Bernardo
Member (ID)	L. Santos,	L. Tiu, Jerry C.
Member (ID)	Tomas D.	Alunan, Rafael M.
	Alunan, Rafael M.	III
	III	

Related Party Transactions Committee	22-Feb-21	16-Dec-21
Chairman	Santos, Tomas	Tiu, Jerry C.
(ID)	D. Lim,	Ongsip, Jackson
Member	Bernardo L.	T.
Member (ID)	Alunan, Rafael M.	Alunan, Rafael M.
	III	III

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 2021 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 2021.

Corporate Objectives

The Board establishes the corporate objectives, which are:

- 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.

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 <http://www.apcaragorn.net>: 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 Company and its stockholders, the Company and third parties, and the Company 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 DE R	EDUCATION AL BACKGROU ND	Account ing/ Audit	Anti-Money Launder ing	Bank- ing	Corp. Gov.	Econo- mics	Finance	Hospit ality / Leisure	IT / Comm	Insur- ance	Invest- ment	Internal Contro l	Law	Manag e-ment	Manufa c- turing	Mining	Real Estate	Retail	R isk Manag e-ment	Sales Mktg.
Willy N. Ocier Chairman	64	M	Bachelor of Arts in Economi cs				✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓
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	Ba chel or of Sci ence 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 Sci ence Degree Commerce, Accounti ng 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 Sci ence - 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.

Directors' trading/ownership of Company shares as of December 31, 2021 is shown below:

Name of Director / Officer	Number of Shares held as of 12.31.2020	Acquisition (+)	Disposition (-)	Number of Shares held as of 12.31.2021	% of Ownership
Willy N. Ocier	2,207,001	-	-	2,207,001	0.03
Ian Jason R. Aguirre ¹	-	-	-	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 ²	-	-	-	487,001	0.01
Virginia A. Yap	10,001	-	-	10,001	0
	2,451,705	-	-	2,938,707	0.04

¹ elected on November 5, 2021

² elected on July 22, 2021

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: governance@bellecorp.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

23rd Floor, Philippine Stock Exchange Centre

East Tower Exchange Road, Ortigas Center

Pasig City 1605

2022 ANNUAL STOCKHOLDERS’ MEETING

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

The 2022 Annual Stockholders’ Meeting (ASM) of APC Group, Inc. (“APC” or the “Company”) will be held on June 9, 2022, Thursday, 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 April 30, 2022 (“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. This is in view of the community quarantine currently implemented in various areas of the country and in consideration of health and safety concerns of everyone involved.

Registration Period: The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until June 6, 2022, 12:00 P.M. via apc.corsec@gmail.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 2022 Open Forum" to apc.corsec@gmail.com on or before June 6, 2022. 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 local 2179 or via email at governance@bellecorp.com.

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

**MINUTES OF THE STOCKHOLDERS' MEETING OF
APC GROUP, INC.**

Held on 22 July 2021 at 2:00 p.m.
Via Webinar (Zoom) link

DIRECTORS PRESENT:

WILLY N. OCIER	Chairman of the Board Director Chairman, Executive Committee Chairman, Compensation and Remuneration Committee
JACKSON T. ONGSIP	President & CEO Director Member, Executive Committee
BERNARDO D. LIM	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
TOMAS D. SANTOS	Independent Director Chairman, Corporate Governance Committee Chairman, Related Party Transactions Committee Member, Audit Committee Member, Risk Oversight Committee

ALSO PRESENT:

RICHARD ANTHONY D. ALCAZAR	Corporate Secretary
IAN JASON R. AGUIRRE	Chief Financial Officer, Treasurer, Chief Risk Officer and Compliance Officer
MICHELLE T. HERNANDEZ	Contact for Stakeholders' Concerns
CRISTINA NAGUIT	Third-party Tabulator of Votes

Stockholders present in person or represented by proxy

4,694,817,781 shares (Please see the Record of Attendance here attached as Annex "A")

The representatives from the Company's external auditor, Sycip Gorres Velayo & Co., Messrs. Wilson Tan, Johnny Ang, and Ms. Mary Claire Pogeyed, were likewise in attendance to address questions from the stockholders during the Meeting.

1. 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 Corporate Secretary, Atty. Richard Anthony D. Alcazar, recorded the minutes of the meeting.

2. Certification of Notice and Quorum

The 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 June 18, 2021 and posted on the Corporation's website beginning June 21, 2021. In addition, the Corporate Secretary also certified that the notices of the meeting were distributed electronically and by courier to the shareholders starting on June 24, 2021.

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

The Corporate Secretary certified that based on the proxies recorded and on the registration of those personally present at the meeting, that 4,694,817,871 shares representing 62.56% of the total outstanding capital stock of the Corporation as of record date June 15, 2021.

The Chairman then declared that there was a quorum for the transaction of business. He then invited everyone to listen to a brief discussion on the rules of conduct and voting procedures of the meeting.

The 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:

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

Shareholders 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 their 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 the 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 shareholders 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 July 21, 2021 are from shareholders owning 4,664,245,229 voting shares, representing 62.16% of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported 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 the Meeting.

3. Approval of the Minutes of the Annual Meeting of Stockholders held on 10 August 2020.

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 10 August 2020. He inquired if copies of the minutes were provided and made available to all stockholders.

The Corporate Secretary confirmed that the minutes of the stockholders' meeting held on 10 August 2020 were posted on the Corporation's website within 5 days after its adjournment. A copy of the minutes was 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 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	%
4,694,817,781	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 10 August 2020 is approved.”

4. Approval of the 2020 Operation and Results

The Chairman proceeded to the next item in the agenda which is the approval of the 2020 operations and results. The Chairman explained that the copies of the Corporations 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 2020. 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. Jackson T. Ongsip, to render his report on the Company's results of operations for 2020. The President reported as follows:

Ladies and gentlemen, good afternoon. Thank you for joining us today at the 2021 Annual Stockholders' Meeting of APC Group, Inc.

Your Company, through its subsidiary, Aragorn Power and Energy Corporation, continues to move forward in its Kalinga Geothermal Project (The Project). In 2020, we obtained from the Department of Energy an extension of the Geothermal Renewable Energy Service Contract, for its exploration period, until October 2022. DOE recognized not only the significant accomplishments of the project despite the encountered difficulties, but also the need for further exploration given the results of the drilling completed in 2020, which showed commercial temperature and encouraging chemistry.

The Project has continued exploration activities by re-conducting geology, geochemical, and geophysical surveys which were completed during the first half of 2021. The Project is now in the process of collating, analyzing, interpreting the new data intended to refine and expand the Conceptual Model to ensure soundness of the geologic targets of the next exploration well prior to resuming drilling operations. Recognizing the challenging impacts of the COVID pandemic, the

Company remains committed to move forward and continue exploration activities with current regulatory, logistical, and working conditions allowing for safe and effective operations.

Your Company is mindful of its responsibility to its many stakeholders. To this end, as of June 2021, the consent of nine (9) out of eleven (11) ancestral domains has been secured covering 85% of the GRESC area, and all of the Community Development projects have been fully completed and turned over to the respective community beneficiaries. The Project continues to provide scholarship grants and educational assistance to deserving youths from the eight (8) ancestral domains within its contract area. As of school year 2020-2021, the Project has already extended scholarship to 369 grantees and has produced 281 graduates in various courses. Three (3) scholar graduates in engineering and geology have been hired for the Project.

As of December 31, 2020, our Company’s consolidated assets stood at P267.4 million, lower by 2% versus the year prior. Liabilities of P114.6M, up by 2% from 2019 and stockholders’ equity worth P152.8 million in 202, down by 5% due to the total comprehensive loss recognized amounting to P8.4 million. For the details related to these, please refer to the 2020 Definite Information Statement which were sent to all our shareholders.

Let me take this opportunity to express my gratitude to you, our valued shareholders for your trust and confidence, to our Board of Directors for their guidance and wisdom, and to our employees for their hard work and dedication despite these challenging times. We will soldier on together as we look for viable opportunities which will redound to sustainability, growth and profitability.”

Thank you.

The Chairman then requested Corporate Secretary to announce the results of the voting for the approval of the 2020 Operations and Results of the Corporation which were appended to the Definitive Information Statement, the 2020 Annual Report and the Consolidated Audited Financial Statements of the Corporation as of December 31, 2020 as audited by Sycip Gorres Velayo & Co.

The 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	%
4,694,817,781	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 2020 Annual Report, 2020 Consolidated Audited Financial Statements of APC Group, Inc., and the Corporation’s 2020 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 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	%
4,694,817,781	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.”

6. Election of Directors for 2021-2022

The next item in the agenda is the election of directors for the year 2021-2022. The Chairman requested Mr. Rafael M. Alunan III, a member of the Corporate Governance Committee to announce the nominees.

Mr. Alunan announced the following nominees, prequalified by the Corporate Governance Committee, for the election to the Board for 2021-2022:

WILLY N. OCIER
JACKSON T. ONGSIP
BERNARDO D. LIM
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL M. ALUNAN III
JERRY C. TIU

Upon inquiry from the Chair, the 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	4,694,817,781	100%
Jackson T. Ongsip	4,694,817,781	100%
Bernardo D. Lim	4,694,817,781	100%
Edmundo L. Tan	4,694,817,781	100%
Virginia A. Yap	4,694,817,781	100%
Rafael M. Alunan III	4,694,817,781	100%
Jerry C. Tiu	4,694,817,781	100%

The 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
BERNARDO D. LIM
JACKSON T. ONGSIP
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL ALUNAN III
JERRY C. TIU

Likewise, the Chairman, on behalf of the Corporation, thanked Mr. Tomas D. Santos for the guidance that he shared during his term of office as the Company’s independent director for nine years.

7. Appointment of External Auditor

The next item in the agenda was the appointment of the Company’s External Auditor for 2021. The Chairman of the Audit Committee, Mr. Rafael M. Alunan III informed 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 2021.

Upon inquiry from the Chair, the 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	%
4,694,817,781	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 2021, 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.corpsec@gmail.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 Corporate Secretary read the following question sent via email:

What is the outlook of the Company in the coming years?”

The President and Chief Executive Officer, Mr. Jackson T. Ongsip gave the following reply:

“We are currently in the exploration stage of our Kalinga Geothermal Project. The initial drilling in 2020 showed commercial temperature and encouraging chemistry. We are now currently processing the new data obtained from the additional 3G surveys to refine and expand the conceptual model prior to resuming drilling operations.”

8. **Other Matters**

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

9. **Adjournment**

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

CERTIFIED CORRECT:



RICHARD ANTHONY D. ALCAZAR
Corporate Secretary

ATTESTED BY:

WILLY N. OCIER
Chairman

Nilda/2020Minutes/22 July 2021APC ASM Minutes

DRAFT

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Rafael M. Alunan III**, Filipino, of legal age, and with address at [REDACTED]
[REDACTED], 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
Metro Global Holdings Corp.	Independent Director	2019 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 Foundation	President	2017 to present
Spirit of EDSA Foundation	Board Member	1998 to present
One Philippines Party List	Founder	2018 to present
Rotary Club of Manila	Director-elect	2022 to 2023
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:

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 24 FEB 2022, at QUEZON CITY


Rafael M. Alunan III

SUBSCRIBED AND SWORN to before me this 24 FEB 2022 at QUEZON CITY,
affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with
TIN [REDACTED]

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ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2021-2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 2463255D 1/3/22 / Roll No. 33832 / TIN# 129-871-009
MCLE No. VI-0029583 valid from 12/19/19 valid until 04/14/22 Quezon City
Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Jerry C. Tiu**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **APC Group, Inc.** (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
Premium Leisure Corp.	Independent Director	June 25, 2021 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
	President	September 20, 2006 to December 12, 2014
Tagaytay Highlands International Golf Club, Inc.	Director	Sept. 20, 2006 to present
	President	December 22, 1999 to present
The Country Club at Tagaytay Highlands, Inc.	Director	June 28, 2001 to present
	President	December 22, 1999 to present
Tagaytay Midlands Golf Club, Inc.	Director	November 21, 2001 to present
	President	April 12, 2000 to present
The Spa & Lodge at Tagaytay Highlands, Inc.	Director and President	November 21, 2001 to present
		August 16, 2001 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 __ day of FEB 23 2022 MAKATI CITY


Jerry C. Tiu

FEB 23 2022 MAKATI CITY

SUBSCRIBED AND SWORN to before me this __ day of _____ at _____, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with TIN

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ATTY. JOSHUA P. LAPUZ
Notary Public - Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
P.N. No. 0082510 Jan. 3, 2022 / Makati
JEP Lifetime No. C4897 Roll No. 45799
KCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

ANNEX D

Republic of the Philippines)
City of Pasig)

CERTIFICATION


I, Richard D. Alcazar, of legal age, Filipino citizen, with office address at 23rd Floor, 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.


RICHARD D. ALCAZAR
Corporate Secretary

SUBSCRIBED AND SWORN to before me on MAR 28 2022, in Pasig City, affiant exhibiting to me his Comm. Tax Cert. No. [REDACTED] issued on February 10, 2022 at Pasig City and SSS No. [REDACTED] as proof of his identity.

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LENINA DYANNE D. BINABAY
Notary Public for the Cities of Pasig (San Juan,
and Municipality of Pateros
Appointment No. 14 (2022-2023)
Commission Expires on 31 December 2023
2303-A East Tower, Tekute Towers, Exchange Road
Ortigas Center, Pasig City, Metro Manila
Roll No. 74070
PTR No. 8132187; 02/11/2022; Pasig City
IBP No. 177076; 02/05/2022; Rizal
MCLE Compliance No. N/A
(Admitted to the Philippine Bar on 06 July 2020)