C O V E R   S H E E T
for
SEC FORM 17-Q

SEC Registration Number

0	6	9	-	0	3	9	2	7	4

C O M P A N Y   N A M E

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA Energy Corporation) AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

4th Floor, 6750 Office Tower
Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	7-730-6300	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,189	04/20	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Corazon G. Dizon	dizon.mcg@acenergy.com.ph	7-730-6300	–

CONTACT PERSON's ADDRESS

4th Floor, 6750 Office Tower, Ayala Avenue, Makati City, Philippines 1200

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2020**

2. Commission identification number **39274**

3. BIR Tax Identification No. **000-506-020-000**

4. Exact name of issuer as specified in its charter **AC ENERGY PHILIPPINES, INC. (Formerly PHINMA ENERGY CORPORATION)**

5. Province, country or other jurisdiction of incorporation or organization **Metro Manila**

6. Industry Classification Code ____________ (SEC Use Only)

7. Address of issuer's principal office Postal Code
   4th Floor, 6750 Office Tower, Ayala Avenue, Makati City, 1210

8. Issuer's telephone number, including area code **(632) 7-730-6300**

9. Former name, former address and former fiscal year, if changed since last report

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

    Number of shares of common stock outstanding **7,517,774,922 shares**
    Amount of debt outstanding **Php28.65 billion**

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

    Yes [**X**] No [ ]

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

12. Indicate by check mark whether the registrant:

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

    Yes [**X**] No [ ]

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

    Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX "A"

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

Please refer to attached ANNEX "B"

PART II--OTHER INFORMATION

Please refer to attached ANNEX "C"

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on May 12, 2020.

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)

JOHN ERIC T. FRANCIA
President & Chief Executive Officer

MARIA CORAZON G. DIZON
Treasurer & Chief Financial Officer

Annex A

AC Energy Philippines, Inc.
(Formerly PHINMA Energy Corporation)
and Subsidiaries

March 31, 2020 (With comparative audited figures as at December 31, 2020)
and the Three Months Ended March 31, 2020 and 2019

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)
AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

With Comparative Audited Figures as at December 31, 2019
(Amounts in Thousands)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 29)	**₱5,663,745**	₱8,581,663
Short-term investment (Note 29)	–	100,000
Receivables (Notes 5 and 29)	**4,186,989**	2,728,419
Fuel and spare parts (Note 6)	**1,009,682**	855,275
Current portion of:		
Input value added tax (VAT)	**278,889**	148,318
Creditable withholding taxes	**82,266**	123,700
Other current assets (Note 7)	**612,385**	139,915
	11,833,956	12,677,290
Assets held for sale (Note 8)	**–**	3,546
Total Current Assets	**11,833,956**	12,680,836
Noncurrent Assets		
Property, plant and equipment (Note 9)	**30,122,610**	21,564,260
Investments in associates and joint ventures (Note 10)	**3,325,564**	723,165
Financial assets at:		
Fair value through other comprehensive income (FVOCI; Notes 11 and 30)	**1,251**	1,251
Investment properties	**13,085**	13,085
Goodwill and other intangible assets (Note 12)	**281,303**	280,193
Right-of-use assets (Note 13)	**592,395**	524,936
Deferred income tax assets - net (Note 25)	**665,376**	612,546
Net of current portion:		
Input VAT	**335,759**	335,759
Creditable withholding taxes	**879,740**	860,026
Other noncurrent assets (Note 14)	**4,407,601**	2,124,748
Total Noncurrent Assets	**40,624,684**	27,039,969
TOTAL ASSETS	**₱52,458,640**	₱39,720,805

(Forward)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 15, 26 and 29)	**₱5,280,571**	₱3,787,713
Current portion of lease liability	**35,363**	33,542
Income and withholding taxes payable	**56,303**	41,208
Due to stockholders (Notes 29)	**16,594**	16,594
Current portion of long-term loans (Notes 16, 29 and 30)	**2,734,045**	593,847
Short term loans (Note 16)	**5,854,400**	–
Total Current Liabilities	**13,977,276**	4,472,904
Noncurrent Liabilities		
Long-term loans - net of current portion (Notes 16, 29 and 30)	**20,064,258**	20,192,081
Lease liabilities - net of current portion	**512,487**	526,029
Pension and other employee benefits	**57,436**	60,503
Deferred income tax liabilities - net (Note 25)	**191,266**	187,624
Other noncurrent liabilities (Note 17)	**3,586,162**	3,176,846
Total Noncurrent Liabilities	**24,411,609**	24,143,083
Total Liabilities	**38,388,885**	28,615,987
Equity		
Capital stock (Note 18)	**₱7,521,775**	₱7,521,775
Additional paid-in capital	**83,768**	83,768
Other equity reserves (Note 18)	**451,571**	(2,342,103)
Unrealized fair value losses on equity instruments at FVOCI (Note 11)	**(8,129)**	(8,129)
Unrealized fair value on derivative instruments designated under hedging	**(148,140)**	(14,742)
Remeasurement losses on defined benefit plan	**(7,506)**	(7,034)
Accumulated share in other comprehensive loss of a joint venture (Note 10)	**(2,107)**	(2,107)
Retained earnings (Note 18)	**3,230,328**	2,922,514
Treasury shares (Note 18)	**(35,013)**	(27,704)
Total equity attributable to equity holders of the Parent Company	**11,086,547**	8,126,238
Non-controlling interests	**2,983,208**	2,978,580
Total Equity	**14,069,755**	11,104,818
TOTAL LIABILITIES AND EQUITY	**₱52,458,640**	₱39,720,805

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)
AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Figures)

	Three Months Ended March 31 (Unaudited)	
	2020	2019
REVENUES		
Revenue from sale of electricity (Note 19)	**₱4,205,539**	₱3,384,595
Dividend income	–	2,111
Rental income	–	231
	4,205,539	3,386,937
COSTS AND EXPENSES		
Costs of sale of electricity (Note 20)	**3,365,730**	3,359,333
General and administrative expenses (Note 21)	**306,140**	136,482
	3,671,870	3,495,815
INTEREST AND OTHER FINANCE CHARGES	**(349,473)**	(114,723)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	**29,099**	76,956
OTHER INCOME - NET (Note 24)	**173,993**	31,880
INCOME (LOSS) BEFORE INCOME TAX	**387,288**	(114,765)
PROVISION FOR INCOME TAX		
Current	**61,625**	7,735
Deferred	**14,099**	23,727
	75,724	31,462
NET INCOME (LOSS)	**₱311,564**	(₱146,227)
Net Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱306,936**	(₱145,265)
Non-controlling interests	**4,628**	(962)
	₱311,564	(₱146,227)
Basic/Diluted Earnings (Loss) Per Share (Note 27)	**₱0.04**	(₱0.03)

See accompanying Notes to Interim Condensed Consolidated Financial Statements

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)
AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Three Months Ended March 31 (Unaudited)	
	2020	2019
NET INCOME (LOSS) FOR THE YEAR	**₱ 311,564**	(₱146,227)
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net changes in the fair market value of AFS investments	**–**	3,083
Income tax effect	**–**	106
	–	3,189
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Unrealized fair value losses on derivatives instruments designated under hedge accounting	**(190,568)**	–
Remeasurement gains on defined benefit plan	**182**	–
Income tax effect	**56,516**	–
	(133,870)	3,189
Share in other comprehensive income of a joint venture - net of deferred income tax (Note 10)	–	86
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	**(133,870)**	3,275
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱177,694**	(₱142,952)
Total Comprehensive Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱173,066**	(₱141,991)
Non-controlling interests	**4,628**	(961)
	₱177,694	(₱142,952)

See accompanying Notes to Interim Condensed Consolidated Financial Statements

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)
AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 18)	**Additional Paid-in Capital**	**Other Equity Reserve (Note 18)**	**Unrealized Fair Value Gains (Losses) on Equity Investments at FVOCI**	**Unrealized Fair Value Losses on derivative instrument designated under hedge accounting**	**Remeasurement Gains (Losses) on Defined Benefit Plan**	**Accumulated Share in Other Comprehensive Gain (Losses) of a Joint Venture**	**Retained Earnings (Note 18)**	**Treasury Shares (Note 18)**	**Total**	**Non-controlling Interests**	**Total Equity**
	For the three-month period ended March 31, 2020 (Unaudited)											
BALANCES AT JANUARY 1, 2020	**₱7,521,775**	**₱83,768**	**(₱2,342,103)**	**(₱8,129)**	**(₱14,742)**	**(₱7,034)**	**(₱2,107)**	**₱2,922,514**	**(₱27,704)**	**₱8,126,238**	**₱2,978,580**	**₱11,104,818**
Net income	–	–	–	–	–	–	–	**306,936**	–	**306,936**	**4,628**	**311,564**
Other comprehensive income (loss)	–	–	–	–	**(133,398)**	**(472)**	–	–	–	**(133,870)**	–	**(133,870)**
Total comprehensive income (loss)	–	–	–	–	**(133,398)**	**(472)**	–	**306,936**	–	**173,066**	**4,628**	**177,694**
Acquisition under common control	–	–	**2,793,674**	–	–	–	–	–	–	**2,793,674**	–	**2,793,674**
Acquisition of treasury shares	–	–	–	–	–	–	–	–	**(7,309)**	**(7,309)**	–	**(7,309)**
Other adjustments	–	–	–	–	–	–	–	**878**	–	**878**	–	**878**
	–	–	**2,793,674**	–	–	–	–	–	**(7,309)**	**2,787,243**	–	**2,787,243**
BALANCES AT MARCH 31, 2020	**₱7,521,775**	**₱83,768**	**₱451,571**	**(₱8,129)**	**(₱148,140)**	**(₱7,506)**	**(₱2,107)**	**₱3,230,328**	**(₱35,013)**	**₱11,086,547**	**₱2,983,208**	**₱14,069,755**
	For the three-month period ended March 31, 2019 (Unaudited)											
BALANCES AT JANRUARY 1, 2019, AS PREVIOUSLY STATED	₱4,889,775	₱83,768	₱18,338	₱59,772	₱–	₱536	(₱2,193)	₱3,303,708	(₱27,706)	₱8,325,998	₱45,450	₱8,371,448
Effect of initial application of PFRS 16	–	–	–	–	–	–	–	(90,715)	–	(90,715)	–	(90,715)
BALANCES AT JANUARY 1, 2019, AS ADJUSTED	₱4,889,775	₱83,768	₱18,338	₱59,772	–	₱536	(₱2,193)	₱3,212,993	(₱27,706)	₱8,235,283	₱45,450	₱8,280,733
Net income (loss)	–	–	–	–	–	–	–	(145,265)	–	(145,265)	(962)	(146,227)
Other comprehensive income (loss)	–	–	–	3,189	–	–	86	–	–	3,275	–	3,275
Total comprehensive income (loss)	–	–	–	3,189	–	–	86	(145,265)	–	(141,990)	(962)	(142,952)
Sale of equity investments at FVOCI	–	–	–	39	–	–	–	(39)	–	–	–	–
Disposal of treasury shares (Note 18)	–	–	–	–	–	–	–	–	2	2	–	2
	–	–	–	39	–	–	–	(39)	2	2	–	2
BALANCES AT MARCH 31, 2019	₱4,889,775	₱83,768	₱18,338	₱63,000	₱–	₱536	(₱2,107)	₱3,067,689	(₱27,704)	₱8,093,295	₱44,488	₱8,137,783

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY PHILIPPINES, INC.
(Formerly PHINMA ENERGY CORPORATION)
AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	For the Three Months Ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings (loss) before income tax	**₱387,288**	(₱114,764)
Adjustments for:		
Interest and other finance charges (Note 24)	**349,472**	114,723
Depreciation and amortization (Note 23)	**327,096**	98,460
Interest and other financial income (Note 24)	**(50,018)**	(16,829)
Equity in net earnings of associates and joint ventures (Note 10)	**(29,099)**	(76,956)
Amortization of trading revenue	–	(96,822)
Loss (gain) on sale of:		
Derivatives (Note 24)	**33**	–
Asset held for sale (Notes 8 and 24)	–	(14,289)
Marketable Securities	–	39
Dividend income	–	(2,111)
Pension and other employee benefits	**1,274**	935
Foreign exchange gain – net	**(18,314)**	(402)
Operating loss before working capital changes	**967,732**	(108,017)
Decrease (increase) in:		
Receivables	**(1,286,028)**	316,034
Fuel and spare parts	**(138,112)**	43,845
Other current assets	**(375,086)**	3,122
Increase (decrease) in:		
Accounts payable and other current liabilities	**1,151,449**	(256,269)
Net cash flows from (used in) operating activities	**319,955**	(1,285)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investments in associates, subsidiaries and joint venture	**(7,185,132)**	–
Property, plant and equipment (Notes 9 and 32)	**(254,210)**	(9,098)
Deferred exploration costs (Note 12)	**(1,110)**	(1,417)

(Forward)

	For the Three Months Ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Proceeds from:		
Cash acquired from business combinations	**₱693,572**	₱–
Short-term investments	**100,000**	5,041
Sale of property, plant and equipment	**4,026**	–
Sale of investments (Note 10)	**–**	30,285
Sale of asset held for sale	**–**	45,031
Sale and redemption of investments held for trading	**–**	14,001
Sale of available-for-sale investments	**–**	69
Increase in other noncurrent assets	**(2,269,986)**	(31,319)
Interest received	**59,178**	10,615
Dividends received	**–**	2,111
Net cash flows from (used in) investing activities	**(8,853,662)**	65,319
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of short-term debt (Note 16)	**5,873,333**	–
Payments of:		
Long-term loans (Note 16)	**(135,580)**	(126,374)
Interest on short-term and long-term loans	**(134,481)**	(124,772)
Lease liabilities	**(34,772)**	(5,561)
Treasury shares	**(7,309)**	–
Debt issue cost	**(1,839)**	–
Cash dividends	–	(12,646)
Decrease in due to stockholders	–	(1,425)
Increase in pension and other employee benefits and other noncurrent liabilities	**38,123**	1,497
Net cash flows from (used in) financing activities	**5,597,475**	(269,281)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**18,314**	402
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,936,232)**	(204,845)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**8,581,663**	1,022,366
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	**₱5,663,745**	₱817,521

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information and Status of Operations

AC Energy Philippines, Inc., formerly PHINMA Energy Corporation ("ACEPH" or "the Parent Company"), incorporated on September 8, 1969, and registered with the Philippine Securities and Exchange Commission (SEC), is engaged in power generation and trading, oil and mineral exploration, development and production. The Parent Company is a licensed Retail Electricity Supplier (RES). As a RES, the Parent Company is allowed to supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act (EPIRA). Other activities of the Parent Company include investing in various operating companies and financial instruments.

On February 7, 2019, Philippine Investment Management (PHINMA), Inc., PHINMA Corporation and AC Energy, Inc. (AC Energy) signed an investment agreement for AC Energy's acquisition of PHINMA, Inc. and PHINMA Corporation's combined 51.476% stake in ACEPH via a secondary share sale through the Philippine Stock Exchange (PSE).

On April 15, 2019, the Philippine Competition Commission (PCC) approved the sale of the combined stake of PHINMA, Inc. and PHINMA Corporation in ACEPH to AC Energy. AC Energy made a tender offer for other shareholders on May 20, 2019 to June 19, 2019, with a total of 156,476 public shares of ACEPH tendered during the tender offer period.

On June 24, 2019, the PSE confirmed the special block sale of ACEPH shares to AC Energy. On the same day, AC Energy subscribed to 2.632 billion shares of ACEPH. As of March 31, 2020, AC Energy directly owns 66.34% of the Parent Company's total outstanding shares of stock.

The direct parent company (or intermediate parent company) of ACEPH is AC Energy, while the ultimate parent company is Mermac, Inc. ACEPH is managed by AC Energy under an existing management agreement, which was assigned by PHINMA, Inc. to AC Energy on June 24, 2019. ACEPH, AC Energy and Mermac, Inc. are all incorporated and domiciled in the Philippines. ACEPH and its subsidiaries below are collectively referred to as "the Group".

On July 23, 2019, the Board of Directors ("BOD") of ACEPH approved the following amendments to the ACEPH's articles of incorporation:

i) Change of the corporate name to AC Energy Philippines, Inc.;
ii) Change of the principal office of the Parent Company to 4th Floor, 6750 Office Tower, Ayala Ave., Makati City;
iii) Increase in authorized capital stock by 16 billion shares or from 8,400,000,000 common shares to 24,400,000,000 common shares. Additional capital will be used for investments in greenfield projects and acquisition of power assets, including part of AC Energy's on-shore power generation and development assets.

On October 9, 2019 ACEPH and AC Energy executed a Deed of Assignment where AC Energy assigned to ACEPH shares of stock in various AC Energy subsidiaries and affiliates in exchange for ACEPH shares.

The Deed of Assignment was amended on November 13, 2019 to reflect the correct number of common shares of AC Energy in South Luzon Thermal Energy Corporation (“SLTEC”), ACTA Power Corporation and Manapla Sun Power Development Corp.

On November 5, 2019, the Parent Company signed a Deed of Assignment with AC Energy to transfer AC Energy’s rights to purchase 20% ownership stake of Axia Power Holdings Philippines Corporation (“APHPC”) in SLTEC, which owns and operates the 2x135 MW Circulating Fluidized Bed power plant (the “SLTEC Power Plant”) in Calaca, Batangas.

On November 11, 2019, the BOD approved, among others, the following matters:

i) Ratification of the Executive Committee’s approval of the Parent Company’s acquisition of PINAI’s ownership interest in Philippine Wind Holdings Corporation (PhilWind);
ii) Purchase of up to 100% percent of PINAI fund’s ownership interest in San Carlos Solar Energy, Inc. (SACASOL), which owns and operates a 45 MW solar farm in San Carlos City, Negros Occidental;
iii) Purchase of up to 100% percent of PINAI fund’s ownership interest in Negros Island Solar Power, Inc. (“ISLASOL”), which owns and operates the 80 MW solar farms in Negros Occidental;
iv) Additional short-term credit lines of up to ₱8 billion
v) Investment into, and construction of, a 60 MW solar power plant in Palauig, Zambales through ACE Endevor, Inc.’s (“ACE Endevor” or formerly AC Energy Development, Inc.), wholly owned project company, Gigasol3, Inc.

During the regular board meeting held on March 18, 2020, the Board of Directors of the Parent Company approved the change in the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation". Approval of the SEC for the change in corporate name is pending as of May 9, 2020.

The registered office address of ACEPH is 4th Floor, 6750 Ayala Avenue Office Tower, Makati City.

The interim condensed consolidated financial statements of the Group were approved and authorized for issuance by the Parent Company’s BOD on May 11, 2020

2. Summary of Significant Accounting Policies and Disclosures

Basis of Preparation and Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements were prepared on a historical cost basis, except derivative financial instruments, and equity instruments at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine Peso which is the Parent Company’s functional and presentation currency. All values are rounded off to the nearest thousands (000), except par value, per share amounts, number of shares and when otherwise indicated.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended December 31, 2019.

Changes in Accounting Policies and Disclosures
The Group has adopted the following new accounting pronouncements. Adoption of these pronouncements either did not have any significant impact on the Group's financial position or performance unless otherwise indicated. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on January 1, 2020

- Amendments to Philippine Financial Reporting Standards (PFRS) 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  The Group applied the amendments in accounting for business combinations for the three months period ended March 31, 2020 (see Note 3). These amendments will also apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

  The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at March 31, 2019 and December 31, 2019:

		Percentage of Ownership (%)			
		March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
PHINMA Power	Power generation	**100.00**	–	**100.00**	–
CIPP	Power generation	**100.00**	–	**100.00**	–
PHINMA Renewable	Renewable energy generation	**100.00**	–	**100.00**	–
One Subic Oil	Distribution of petroleum products	**100.00**	–	**100.00**	–
One Subic Power	Power generation	–	**100.00**	–	**100.00**
ACE Enexor	Oil, gas, and geothermal exploration	**75.92**	**0.40**	**75.92**	**0.40**
Palawan55	Oil and gas exploration	**30.65**	**52.93**	**30.65**	**52.93**
SLTEC	Power generation	**65.00**	–	**65.00**	–
BCHC	Holding company	**100.00**	–	**100.00**	–
ACES	Shared services	**100.00**	–	**100.00**	–
Giga Ace 1, Inc.	Power generation	**100.00**	–	–	–
Giga Ace 2, Inc.	Power generation	**100.00**	–	–	–
Giga Ace 3, Inc.	Power generation	**100.00**	–	–	–
ISLASOL	Power generation	–	**98.00**	–	–
SACASOL	Power generation	–	**96.00**	–	–

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries is the Philippines.

The following are the significant transactions of the Group during the three-month period ended March 31, 2020:

Material Commitment of One Subic Power Generation Corporation (One Subic Power)
One Subic Power engaged in a material commitment to purchase capital assets during the period (see Note 12).

Subscription to Giga Ace 1, Inc. (Giga Ace 1)
On February 27, 2020, ACEPH subscribed to 75,000 Common Shares of Giga Ace 1 with par value of ₱1 per share to be issued out of the unissued authorized capital stock ("ACS"), and 43,069,625 Common Shares with par value of ₱1 per share and 53,562,609 Class A Redeemable Preferred Shares with par value of ₱40 per share to be issued out of increase in ACS of Giga Ace 1.

On March 4, 2020 ACEPH signed a subscription agreement with Giga Ace 1 for the subscription by the Parent Company to additional 1,170,000 Common Shares and 32,500 Class A Redeemable Preferred Shares to be issued out of the increase in ACS of Giga Ace 1.

Subscription to Giga Ace 2, Inc. (Giga Ace 2)
On March 20, 2020, ACEPH signed a subscription agreement with Giga Ace 2 for the subscription by the Parent Company to 3,041,096,860 Common Shares with par value of ₱1 per share to be issued out of the increase in ACS of Giga Ace 2.

On March 23, 2020, Giga Ace 2 executed Deeds of Absolute Sale of Shares for the acquisition of 96% economic interest in San Carlos Solar Energy, Inc. (SACASOL) (see Note 3).

Subscription to Giga Ace 3, Inc. (Giga Ace 3)
On March 20, 2020, ACEPH signed a subscription agreement with Giga Ace 3 for the subscription by the Parent Company to 1,662,654,537 Common Shares with par value of ₱1 per share to be issued out of the increase in ACS of Giga Ace 3.

On March 23, 2020, Giga Ace 3 executed Deeds of Absolute Sale of Shares for the acquisition of 98% economic interest in Negros Island Solar Power Inc. (ISLASOL) (see Note 3).

Subscription to Various Giga Aces Entities
On November 14, 2019, the following entities were incorporated and the Parent Company subscribed to 25,000 common shares each through individual incorporators.

Transfer of the shares in the name of ACEPH is still ongoing as of May 11, 2020:

- Giga Ace 4, Inc. (Giga Ace 4)
- Giga Ace 5, Inc. (Giga Ace 5)
- Giga Ace 6, Inc. (Giga Ace 6)
- Giga Ace 7, Inc. (Giga Ace 7)
- Giga Ace 8, Inc. (Giga Ace 8)
- Giga Ace 9, Inc. (Giga Ace 9)
- Giga Ace 10, Inc. (Giga Ace 10)

Acquisition of interest in Philippine Wind Holdings Corporation ("PhilWind")
On February 27, 2020, Giga Ace 1 executed Deeds of Absolute Sale of Shares for the acquisition of 27.07% effective interest of PINAI in PhilWind with a total cost of ₱2,573 million. (see Note 10).

3. Business Combination

Acquisition of SACASOL
On December 3, 2019 the Parent Company signed a share purchase agreement with PINAI Investors collectively made up of Macquarie Infrastructure Holdings (Philippines) Pte. Limited, Langoer Investments Holding B.V., and the Government Service Insurance System, for the acquisition of PINAI's ownership interest in SACASOL.

On February 13, 2020, the PCC ruled that the Parent Company's acquisition of the PINAI Investors' ownership interest in SACASOL "will not likely result in substantial lessening of competition" and resolved "to take no further action with respect to the proposed Transaction..."

On March 23, 2020, the acquisition of the PINAI Investors' ownership interest in SACASOL and payment of the purchase price in the amount of ₱2,981 million were completed by Giga Ace 2, Inc., the Parent Company's wholly-owned subsidiary and the entity designated by the Parent Company to purchase the PINAI Investors' shares in SACASOL.

SACASOL runs a 45-MW solar farm, which are under the government's feed-in-tariff (FIT) scheme.

The provisional fair values of the identifiable assets and liabilities as at the date of acquisition:

Assets	
Cash and cash equivalents	**₱232,560**
Other current assets	**120,281**
Receivables	**112,631**
Property, plant and equipment	**3,068,748**
Other noncurrent assets	**7,031**
	3,541,251
Liabilities	
Accounts payable and accrued expenses	**43,085**
Loans and other noncurrent liabilities	**79,874**
	122,959
Total identifiable net assets	**3,418,292**
Less: Cost of acquisition	**2,981,863**
Non-controlling interest	–
Negative goodwill arising on acquisition	**₱436,429**

Consideration transferred was paid on cash on transaction date.

Net cash outflow on acquisition is as follows:

Cash consideration	**₱3,418,292**
Less: Cash acquired from the subsidiary	**(232,560)**
Net cash outflow	**₱3,185,732**

Acquisition of ISLASOL
On December 3, 2019 the Parent Company signed a share purchase agreement with PINAI Investors for the acquisition of PINAI's ownership interest in ISLASOL.

On February 26, 2020, the PCC ruled that the Parent Company's acquisition of the PINAI Investors' ownership interest in ISLASOL "will not likely result in substantial lessening of competition" and resolved "to take no further action with respect to the proposed Transaction..."

On March 23, 2020, of the acquisition of the PINAI Investors' ownership interest in ISLASOL and payment of the purchase price in the amount of ₱1,629 million by Giga Ace 3, Inc. were completed. Giga Ace 3 is the Parent Company's wholly-owned subsidiary and the entity designated by the Parent Company to purchase the PINAI Investors' shares in ISLASOL.

ISLASOL owns and operates an 80-megawatt (MW) solar farm in Negros Occidental.

The transaction was accounted for using the acquisition method under PFRS 3.

The provisional fair values of the identifiable assets and liabilities as at the date of acquisition:

Assets	
Cash and cash equivalents	**₱461,012**
Receivables	**94,004**
Other current assets	**143,526**
Property, plant and equipment	**5,605,634**
Other noncurrent assets	**9,991**
	6,314,167
Liabilities	
Accounts payable and accrued expenses	**2,213,438**
Loans and other noncurrent liabilities	**113,516**
	2,326,954
Total identifiable net assets	**3,987,213**
Less: Cost of acquisition	**1,629,969**
Non-controlling interest	**–**
Negative goodwill arising on acquisition	**2,357,244**

Consideration transferred was paid on cash on transaction date.

Net cash outflow on acquisition is as follows:

Cash consideration[a]	**₱1,629,969**
Cash acquired from the subsidiary	**(461,012)**
Net cash outflow	**₱1,168,957**

[a] *Cash acquired with the subsidiary is included in cash flows from investing activities.*

The purchase price allocation (PPA) for the acquisition of ISLASOL has been prepared on a preliminary basis due to unavailability of information to facilitate fair value computation. This includes information necessary for the valuation of assets related to certain bilateral contracts, and property plant and equipment. Reasonable changes are expected as additional information becomes available. The PPA will be finalized within one year from March 23, 2020, the acquisition date.

4. Cash and Cash Equivalents

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Cash on hand and in banks	**₱2,240,529**	₱1,100,551
Short-term deposits	**3,423,216**	7,481,112
	₱5,663,745	₱8,581,663

Cash in banks earn interest at the respective bank deposit rates for its peso and dollar accounts.

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Interest income earned on cash in banks and short term deposits for the three-month period ended March 31, 2020 and 2019 amounted to ₱43.07 million and ₱5.02 million, respectively (See Note 24).

Short-term deposits include debt service reserves account amounting to ₱457.43 million and ₱281.65 million as at March 31, 2020 and December 31, 2019, respectively, for the payment of loans by PHINMA Renewable and SLTEC (see Note 16).

5. Receivables

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade	**₱3,588,431**	₱2,233,782
Due from related parties (see Note 26)	**354**	9
Receivables from:		
Third parties (see Note 14)	**517,196**	376,351
Employees	**119,105**	102,628
Assignment of Mineral Production Sharing Agreement	**39,365**	39,365
Consortium - SC 50	**20,000**	20,000
Consortium - SC 52	**19,444**	19,444
Others	**5,330**	59,076
	4,309,225	2,850,655
Less allowance for credit losses	**122,236**	122,236
	₱4,186,989	₱2,728,419

Trade receivables mainly represent receivables from Independent Electricity Market Operator of the Philippines (IEMOP), Philippine Electricity Market Corporation (PEMC), National Grid Corporation of the Philippines (NGCP) and National Transmission Corporation (Transco) for the feed-in-tariff (FIT) and from the group’s bilateral customers. Trade receivables consist of both non-interest bearing and interest bearing receivables. The term is generally thirty (30) to sixty (60) days. The receivable from third parties mainly pertains to the current portion of noninterest-bearing long-term receivable from the sale of transmission assets and submarine cable (see Note 14).

As at March 31, 2020 and December 31, 2019, the aging analysis of receivables are as follows:

	March 31, 2020 (Unaudited)						
		Neither Past	**Past Due but not Impaired**				**Past Due and**
	Total	**Due nor Impaired**	**<30 Days**	**30–60 Days**	**61–90 Days**	**More than 90 Days**	**Impaired**
Trade	**₱3,588,431**	**₱2,429,152**	**₱240,552**	**₱81,590**	**₱38,396**	**₱759,728**	**₱39,013**
Due from related parties	**354**	**–**	**–**	**–**	**–**	**354**	**–**
Others	**720,440**	**599,362**	**10,482**	**12,252**	**148**	**14,973**	**83,223**
	₱4,309,225	**₱3,028,514**	**₱251,034**	**₱93,842**	**₱38,544**	**₱775,055**	**₱122,236**

	December 31, 2019 (Audited)						
		Neither Past	Past Due but not Impaired				Past Due and
	Total	Due nor Impaired	<30 Days	30–60 Days	61–90 Days	More than 90 Days	Impaired
Trade	₱2,233,782	₱1,944,167	₱6,159	₱6,793	₱8,819	₱228,831	₱39,013
Due from related parties	9	9	–	–	–	–	–
Others	616,864	96,640	12,755	45,506	4,219	374,521	83,223
	₱2,850,655	₱2,040,816	₱18,914	₱52,299	₱13,038	₱603,352	₱122,236

6. Fuel and Spare Parts

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Fuel - at cost	**₱343,806**	₱247,570
Fuel - at net realizable value	**126,667**	66,217
Spare parts - at cost	**193,303**	216,212
Spare parts - at net realizable value	**345,906**	325,276
	₱1,009,682	₱855,275

Fuel charged to "Costs of sale of electricity" in the interim consolidated statements of income amounted to ₱850.56 million and ₱200.89 million for the three-month period ended March 31, 2020 and 2019, respectively (see Note 20).

For the three-month period ended March 31, 2020 and 2019, ACEPH did not recognize provision for impairment of fuel inventory and spare parts. The carrying amount of the fuel - at net realizable value as at March 31, 2020 and December 31, 2019 amounted to ₱132.28 million and ₱71.83 million, respectively.

The carrying amount of spare parts carried at net realizable value amounted to ₱340.87 million and ₱326.62 million as at March 31, 2020 and December 31, 2019, respectively.

7. Other Current Assets

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Prepaid expenses	**₱538,939**	₱62,225
Advances to contractors	**73,446**	–
Deposits	**–**	77,284
Derivative asset (Notes 29 and 30)	**–**	33
Others	**–**	373
	₱612,385	₱139,915

Prepaid expenses pertain to insurance, subscriptions, rent, taxes and other expenses paid in advance.

Advances to contractors pertain to advance payments for services and supply of repairs and maintenance and construction materials for various constructions in progress and facility development.

8. Assets Held For Sale

<u>One Subic Oil</u>
In 2018, the management communicated with its affiliates, suppliers, and other third-party buyers its plan to sell some of its equipment and parts presented as part of "Machinery and equipment". Although nothing yet has been finalized, management has been actively looking for interested buyers.

Immediately before the reclassification of the equipment and parts as held for sale, the recoverable amount was estimated. An impairment loss amounting to ₱1.13 million was recognized in 2018 to reduce the carrying amount of the assets held for sale to their fair value less costs to sell. The carrying value of the remaining asset classified as assets held for sale amounted to ₱3.55 million as of December 31, 2019; however, as of March 31, 2020, the assets held for sale was reverted back to machinery and equipment, together with the corresponding accumulated depreciation as the assets remain unsold after more than a year and management no longer has the intention to sell the remaining assets as these may be used in future projects.

9. Property, Plant and Equipment

<u>Acquisitions and disposals</u>
During the three-month period ended March 31, 2020, the Group acquired assets with a cost of ₱254.21 million (December 31, 2019: ₱902.74 million), excluding property, plant and equipment acquired through a business combination (see Note 3) and property under construction.

As at March 31, 2020, the net book value of assets acquired through the business combination of SACASOL and ISLASOL amounted to ₱3,068.75 million and ₱5,605.63, respectively (see Note 3).

Assets (other than those classified as held for sale) with a net book value of ₱4.02 million and ₱48.50 million were disposed by the Group during the three-month period ended March 31, 2020 and year ended December 31, 2019, respectively. The resulting net gain is nil and ₱294.10 million for the three-month period ended March 31, 2020 and year ended December 31, 2019, respectively.

Assets amounting to ₱3.55 million were reclassified to Property, Plant and Equipment from assets held for sale within the three-month period ended March 31, 2020.

Mortgaged Property and Equipment
PHINMA Renewable's wind farm with carrying value of ₱4,055 million and ₱4,106 million included under "Machinery and Equipment" account is mortgaged as security for the long-term loan as at March 31, 2020 and December 31, 2019, respectively (see Note 16).

Pledges of Shares, Assignment of Receivables and all Material Contracts
As security for the timely payment, discharge, observance and performance of the secured obligations, AC Energy, ACEPH, and Axia, to the extent of their ownership interests in SLTEC, pledged shares owned by it, whether now owned or existing or hereafter acquired to the Security Trustee for the benefit of the Lenders and the Security Trustee.

In addition, SLTEC, and AC Energy, ACEPH and/or APHPC, as the relevant Sponsor under the New Omnibus Agreement, have assigned, conveyed and transferred unto the Security Trustee, for the benefit of the Lenders and the Security Trustee, all of its respective rights, title and interest in, to and under the following: (i) all monies standing in the cash flow waterfall accounts, with respect to SLTEC; (ii) all project receivables, with respect to SLTEC; (iii) the proceeds of any asset and business continuity insurance obtained by SLTEC; (iv) any advances or subordinated loans, if any, granted by any of AC Energy, ACEPH and APHPC to SLTEC; and (v) the proceeds, products and fruits of those provided under items (i) to (iv) hereof.

SLTEC, as continuing security for the timely payment and discharge of the secured obligations, has also assigned, conveyed and transferred to the Security Trustee all of its rights, title and interests in and to the Project Agreements to which it is a party. Project agreements include: (i) power purchase agreements; (ii) all fuel purchase agreements, together with corresponding performance guarantees and bonds having a total amount of at least ₱25.00 million per agreement; (iii) all operations and maintenance agreements, together with corresponding performance guarantees and bonds, for the operation and maintenance of the power plant; (iv) all asset and business continuity insurance obtained in relation to the power plant and its operation; (v) government approvals obtained by SLTEC in relation to the ownership, operation and maintenance of the power plant, except governmental approvals covered by excluded assets; and (vi) any and all other material contracts as may be agreed upon by SLTEC and the Lenders.

SLTEC's Contract for Design and Supply of HIP Rotor with Harbin Electric International Co., Ltd. (HEI)
On July 20, 2019, SLTEC engaged the services of HEI to design, fabricate, and supply SLTEC with the brand-new spare HIP rotor and it is expected to be completed and delivered within the next seven (7) months. SLTEC recognized the advance payment made on September 19, 2019 amounting to ₱30.58 million.

During the three-month period ended March 31, 2020, SLTEC recognized additional capital expenditure relating to the HIP rotor amounting to ₱18.98 million.

10. **Investments in Associates and Joint Ventures**

Details of investments in associates and interests in joint ventures and the carrying amounts are as follows:

	Percentage of Ownership	**March 31, 2020 (Unaudited)**	December 31, 2019 (Audited)
Investments in associates:			
Maibarara Geothermal, Inc. (MGI)	25.00	**₱702,687**	₱685,133
Asia Coal Corporation (Asia Coal)	28.18	**631**	631
		703,318	685,764
Interests in joint ventures:			
Philippine Wind Holdings Corp (PhilWind)	27.07	**2,584,845**	–
ACTA Power Corporation (ACTA)	50.00	**37,401**	37,401
		2,622,246	37,401
		₱3,325,564	₱723,165

The details and movements of investments as well as the advances in associates and interests in joint ventures accounted for under the equity method are as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Investment in associates and interests in joint ventures		
Acquisition costs:		
Balance at beginning of period	**₱461,849**	₱3,911,572
Effect of a business combination	**–**	(3,224,723)
Sale of joint venture interest	**–**	(225,000)
Additions	**2,573,300**	–
Balance at end of period	**3,035,149**	461,849
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**264,982**	397,633
Equity in net earnings (loss)	**29,099**	(24,461)
Dividends received	**–**	(25,000)
Sale of joint venture interest	**–**	8,027
Effect of a business combination	**–**	(91,217)
Balance at end of period	**294,081**	264,982
Accumulated share in other comprehensive income:		
Balance at beginning of period	**(2,107)**	(2,193)
Share in other comprehensive income	**–**	86
Balance at end of period	**(2,107)**	(2,107)
Other equity transactions:		
Balance at beginning and end of period	–	17,231
Effect of a business combination	–	(17,231)
	–	–
Accumulated impairment losses	**(1,559)**	(1,559)
Total investments	**₱3,325,564**	₱723,165

MGI
The Parent Company subscribed to 25% of the capital stock of MGI which was incorporated and registered with the SEC on August 11, 2010 to implement the integrated development of the Maibarara geothermal field in Calamba, Laguna and Sto. Tomas, Batangas for power generation. MGI's registered business address is 7th F JMT Building, ADB Avenue, Ortigas Center, Pasig City.

Philippine Wind Holdings Corp.
On November 4, 2019, the Parent Company's Executive Committee approved and authorized the share purchase agreement to acquire PINAI's ownership interest in NLREC and PhilWind, which was formally executed on November 5, 2019.

PINAI effectively has a 31% preferred equity and 15% common equity ownership in NLREC. NLREC is a joint venture of AC Energy, UPC Philippines, Luzon Wind Energy Holdings and PINAI Investors. NLREC owns and operates an 81 MW wind farm in Pagudpud, Ilocos Norte, which started operations in November 2014. PhilWind is the parent company of NLREC. PhilWind directly and indirectly owns 67% of NLREC, through its 38% direct interest and 28.7% indirect interest through its 100% wholly-owned subsidiary, Ilocos Wind Energy Holding Co., Inc.

On February 27, 2020, the Parent Company purchased all shares of PINAI Investors in PhilWind through its wholly-owned subsidiary Giga Ace 1, Inc.

The investment in PhilWind is accounted for as investments in joint ventures as the relevant activities of PhilWind and NLREC require the unanimous consent of the stockholders.

Below are the Statement of Financial Position and Statement of Comprehensive Income of NLREC as at March 31, 2020 and for the three-month period ended March 31, 2020.

Summarized Statements of Financial Position

	March 31, 2020 (Unaudited)
Current assets	**₱1,566,769**
Noncurrent assets	**7,138,599**
Total assets	**8,705,368**
Current liabilities	**(193,266)**
Noncurrent liabilities	**(5,679,844)**
Net assets	**₱2,832,258**

Summarized Statements of Comprehensive Income

	For the three months ended March 31, 2020 (Unaudited)
Revenue from sale of electricity	**₱668,017**
Costs of sale of electricity	**169,785**
Gross profit	**498,232**
Interest - net	**(86,929)**

(Forward)

	For the three months ended March 31, 2020 (Unaudited)
General and administrative expenses	**(10,223)**
Other income - net	**(9,420)**
Income before income tax	**391,660**
Provision for income tax	**108**
Net income	**₱391,552**
Other comprehensive income	–
Total comprehensive income	**₱391,552**

11. **Financial assets at FVOCI**

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Listed shares of stock	**₱21**	₱21
Golf club shares	**1,230**	1,230
	₱1,251	₱1,251

The movements in net unrealized gain on equity investments at FVOCI for the three-month period ended March 31, 2020 and for the year ended December 31, 2019 are as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Balance at beginning of period	**(₱8,129)**	₱59,772
Unrealized loss recognized in other comprehensive income	**–**	(27,369)
Cumulative unrealized gain on disposal of equity instruments at FVOCI transferred to retained earnings	**–**	(40,532)
Balance at end of the period	**(₱8,129)**	(₱8,129)

12. **Goodwill and Other Intangible Assets**

During the three-month period ended March 31, 2020, additional deferred exploration costs were incurred for SC55 amounting to ₱1.11 million. The net book value of Goodwill and Other Intangible Assets as of March 31, 2020 and December 31, 2019 amounted to ₱281.30 million and ₱280.19 million, respectively.

<u>Leasehold Rights and Goodwill</u>

The leasehold rights and goodwill arose from PHINMA Power's acquisition of the entire outstanding shares of stocks of One Subic Power in 2014. One Subic Power and Subic Bay Metropolitan Authority ("SBMA") have an existing Facilities Lease Agreement (FLA) for a period of five (5) years up to July 19, 2020, as amended, with the option to extend subject to mutually acceptable terms and conditions.

On December 21, 2017, the SBMA Board approved and ratified the amendment of the Facilities Lease Agreement extending the lease term until July 19, 2030. As at January 1, 2019, the leasehold rights was reclassified as right-of-use assets (see Note 13).

Impairment Testing of Goodwill
The Parent Company performs its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements as of and for the year ended December 31, 2019. As at March 31, 2020, there is no indicator of impairment in line with the Parent Company's material commitment to purchase capital assets/replacements which will result in increase of the CGU's forecasted cash inflows . An increase of 100 basis points in the Group's pre-tax discount rate will not result in an impairment of goodwill.

Deferred Exploration Costs

Details of deferred exploration costs are as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Petroleum and gas:		
SC 55 (Southwest Palawan)	**₱24,173**	**₱23,063**
SC 6 (Northwest Palawan)		
Block A	**22,978**	**22,978**
Block B	**4,892**	**4,892**
SC 50 Northwest Palawan	**11,719**	**11,719**
SC 52 (Cagayan Province)	**10,994**	**10,994**
Geothermal - SC 8 (Mabini, Batangas)	**34,493**	**34,493**
	109,249	**108,139**
Allowance for impairment loss	**(62,098)**	**(62,098)**
Net book value	**₱47,151**	**₱46,041**

The foregoing deferred exploration costs represent the Group's share in the expenditures incurred under petroleum SCs with the DOE. The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under an SC.

The following summarizes the status of the foregoing projects:

a. SC 6 (Northwest Palawan)

Block A

On December 18, 2018, the Partners have approved and the Operator, Philodrill Corporation (Philodrill), submitted to the DOE the proposed 2019 SC 6A Work Program and Budget amounting to US$314,116 composed of geological and geophysical evaluation and engineering projects. The same was approved by the DOE on January 23, 2019.

The Partners submitted to the DOE the proposed 2019 work program composed of geological and geophysical evaluation and engineering study. The DOE approved the said program in January 2019.

As at May 11, 2020, farm-in negotiations are ongoing for the development of the Octon oil discovery and technical studies over the northern part of the block progressed.

No impairment was recognized for SC 6 Block A as at March 31, 2020 and December 31, 2019 as the Group believes that the related deferred exploration costs are still recoverable.

b. SC 55 (Southwest Palawan)

Seismic reprocessing of 1,000 sq. km. of 3D seismic data was completed on July 17, 2019.

Quantitative Interpretation Study aimed at identifying the gas-bearing zones in the service contract is nearing completion as at May 11, 2020.

Palawan55 is currently interpreting the reprocessed seismic data to generate additional prospects in the Greater Hawkeye Area and to refine the mapping of the CINCO Prospect. Resource Assessment is also ongoing.

Palawan55 has also commenced the first phase of drilling preparations including well design, issuance of tenders for long lead items such as wellhead, conductor pipes and casing, and a rig market survey.

On August 9, 2019, the SC 55 Consortium notified the DOE of its election to proceed directly from the Exploratory Period to the Appraisal Period, with a one deep water well drilling commitment.

On September 26, 2019, Palawan55 informed the DOE of Century Red Pte. Ltd. withdrawal from SC 55 and accordingly requested for the approval of the transfer of Century Red's entire 37.50% participating interest to Palawan55.

On February 13, 2020, Palawan55 received DOE's approval on the transfer of the 37.50% participating interest of Century Red in SC 55. After careful review and evaluation of DOE, Palawan55 is found to be technically, financially and legally qualified to assume the participating interests of Century Red.

Palawan55's participating interest in SC 55 is adjusted from 37.50% to 75.00%.

On April 15, 2020, Palawan55 received a letter from the DOE confirming the entry of SC 55 into the Appraisal Period effective April 26, 2020. In the said letter, the DOE stated that after the review and evaluation of the Hawkeye discovery report, "we hereby confirm that the 'Hawkeye-1 well' did encounter a significant volume of movable natural gas and is deemed to be a Non-Associated Gas Discovery under Section 13.02 of SC 55."

Palawan55 will submit for DOE's approval a definitive Appraisal Work Program and Budget.

c. SC 50 (Northwest Palawan)

As of May 11, 2020, approval of the assignment of 10% participating interest in SC 50 to ACE Enexor remains pending with the DOE.

13. Right-of-Use Assets

The rollforward analysis of this account follows:

	Right-of-use Assets (Unaudited)							
	Land and Easement Rights	Land with Power plants	Office Space and Parking Slots		Lease of Land and Office Building	Leasehold Rights	Total	Lease liabilities
	PREC	OSPGC	ACEPH	SLTEC	SACASOL	PPGC		
As at January 1, 2020	**₱159,077**	**₱325,348**	**₱26,430**	**₱5,312**	**₱–**	**₱8,769**	**₱524,936**	**₱559,571**
Acquired from SACASOL	**–**	**–**	**–**	**–**	**89,402**	**–**	**89,402**	**–**
Amortization expense	**(2,081)**	**(7,431)**	**(2,734)**	**(5,312)**	**–**	**(4,385)**	**(21,943)**	**–**
Interest expense (see Note 24)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13,481**
Payments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(25,202)**
As at March 31, 2020	**₱156,996**	**₱317,917**	**₱23,696**	**₱–**	**₱89,402**	**₱4,384**	**₱592,395**	**₱547,850**

	Right-of-Use Assets (Audited)					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Leasehold Rights	Total	Lease liabilities
As at January 1, 2019	₱167,399	₱356,091	₱–	₱24,959	₱548,449	₱572,304
New lease agreements	–	–	30,075	–	30,075	27,323
Acquired from SLTEC	–	–	12,032	–	12,032	13,520
Amortization expense	(8,322)	(30,743)	(10,365)	(16,190)	(65,620)	–
Interest expense	–	–	–	–	–	56,560
Payments	–	–	–	–	–	(92,806)
Remeasurement due to termination of lease contract	–	–	–	–	–	(2,604)
Foreign exchange adjustments	–	–	–	–	–	(14,726)
As at December 31, 2019	₱159,077	₱325,348	₱31,742	₱8,769	₱524,936	₱559,571

The Group's Right-of-Use Assets arise from the lease agreements of the following entities:

- ACEPH – the rental of office space in 22nd Floor of Ayala Tower together with 8 parking slots.
- OSPGC – Facilities and Lease agreement with SBMA for the Land in Subic including the 116 MW Diesel Powerplant.
- PREC – Operating and Finance lease commitments from various land owners in Guimaras for land, easement rights and right of way use to connect to the grid.
- SLTEC – the rental of office space in 8 Rockwell, Plaza Dr. Makati City.
- SACASOL – Lease of Land and Office Building

The Group recognized rent expense from short-term leases amounting to nil for the three-month period ended March 31, 2020.
The Group elected to use the modified retrospective method to account for the transition provisions of PFRS 16. The assessment led to computing the PV unpaid cashflows as of January 1, 2019 up to the end of the lease term and then accounted any balance of prepaid rent or accrued rent to be closed out as an addition to or deduction from to the Right-of-Use Asset account respectively.

There were no land or lease improvements noted. Each entity did not exercise or avail any renewal, extension, or termination option.

No practical expedient was elected such as short-term lease or lease of low-value assets.

14. **Other Noncurrent Assets**

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Advances to affiliates	**₱2,427,963**	₱176,000
Trade receivables - net of allowance for credit losses	**1,123,511**	1,123,511
Receivables from third parties (see Note 5)	**456,997**	423,705
Advances to suppliers	**258,991**	292,113
Deposits	**104,438**	109,419
Others	**35,701**	–
Balance at end of the period	**₱4,407,601**	₱2,124,748

Noncurrent trade receivables represents refundable amount from PEMC arising from recalculation of November and December 2013 spot prices as directed by the Energy Regulation Commission. In 2014, the Group, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEPH recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. Collections are presented as “Trade payables” under “Other noncurrent liabilities” (see Note 17).

Receivables from third parties include an interest bearing receivable collectible until April 2021 and non-interest bearing receivables from NGCP arising from the sale of transmission assets, which are collectible annually within 3 years, discounted using the PHP BVAL Reference rates on transaction date ranging from 2.14%-4.56%.

It also includes SLTEC’s receivable from NGCP for the remaining uncollected consideration for the sale of the 230KV Salong Switching Station and related assets in 2016. The interest is noninterest bearing is expected to be collected over five years.

Advances to suppliers consist of advance payments for capital expenditures which will be capitalized to property, plant and equipment once fully rendered by the suppliers.

Advances to affiliates consists of advances to Ingrid Power Holdings (Ingrid) amounting to ₱720.00 million, SolarAce1 Energy Corp., (SolarAce1) amounting to ₱1,387.00 million and Gigasol 1, Inc amounting to ₱321.00 million for the purchase of their shares.

Deposits includes noncurrent portion of deposits to distribution utilities and noncurrent portion of the refundable security deposit with SBMA.

15. **Accounts Payable and Other Current Liabilities**

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade	**₱2,366,624**	₱961,726
Nontrade	**1,638,418**	1,957,480
Accrued expenses	**483,631**	66,798
Output VAT	**471,588**	427,752
Due to related parties (see Note 26)	**148,221**	190,062
Accrued interest expenses	**150,330**	137,618
Retention payables	**21,086**	2,050

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade	**₱2,366,624**	₱961,726
Derivative liability (see Note 30)	–	21,060
Accrued director's and annual incentives	–	50
Others	**673**	23,117
	₱5,280,571	₱3,787,713

Accounts payable and other current liabilities are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms.

Trade payables refer to liabilities to suppliers of electricity and fuel purchased by the Group.

Nontrade payables include liabilities for various purchases such as additions to property, plant and equipment and spare parts.

Accrued expenses include insurance, sick and vacation leave accruals, station use and One Subic Power variable rent at SBMA and accruals for incentive pay and operating expense such as security fee, plant repairs and maintenance.

Retention payables pertain to amounts retained from liabilities to suppliers and contractors.

16. **Loans**

Long-term loans
This account consists of:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ACEPH long-term loans	**₱8,557,895**	₱8,634,812
SLTEC long-term loans	**10,870,683**	10,870,683
PHINMA Renewable term-loan facility	**1,473,071**	1,531,734
ISLASOL loans	**2,140,733**	–
	23,042,382	21,037,229
Add premium on long-term loans (embedded derivative)	**1,960**	2,429
Less unamortized debt issue costs	**246,039**	253,730
	22,798,303	20,785,928
Less current portion of long-term loans (net of unamortized debt issue costs)	**2,734,045**	593,847
Noncurrent portion	**₱20,064,258**	₱20,192,081

Movements in derivatives and debt issue costs related to the long-term loans follow:

	Derivatives	Debt Issue Costs
As at December 31, 2018	4,247	40,927
Acquired from SLTEC	–	186,314
Additions	–	43,003
Amortization/accretion for the year*	(1,818)	(16,514)
As at December 31, 2019 (Audited)	2,429	253,730
Additions		
Amortization/accretion for the three-month period	(469)	(7,691)
As at March 31, 2020	₱1,960	₱246,039

**Included under "Interest and other financial charges" in the "Other income - net" account in the consolidated statements of income.*

- *Increase in loan through business combination.* Under a Deed of Assignment dated September 14, 2015, SACASOL assigned all its rights over its notes receivable from ISLASOL arising from the sale of Phases 2A and 2B solar power plant projects located in La Carlota City, Negros Occidental in the amount of ₱665.41 million to Thomas Llyod CTI Asia Holdings PTE. LTD which was used to settle a portion of the liability of SCSEI.

  On the same date, ISLASOL made various promissory notes with a total amount of ₱1,475.33 million payable to TLCTI Asia. ISLASOL may prepay the notes, in whole or in part, upon written notice to TLCTI Asia at least (3) banking days prior to the date of payment. The promissory notes are noninterest-bearing and are payable subject to the terms of the Framework Agreement entered between PINAI and TLCTI Asian dated September 2, 2015.

  As at March 31, 2020 and December 31, 2019, the outsanding notes payable amount to ₱2,140.73 million.

- *Loan Payment.* On December 18, 2013, PHINMA Renewable entered into a ₱4.3 billion Term Loan Facility with Security Bank Corporation (SBC) and Development Bank of the Philippines (DBP). The loan facility is divided into two tranches amounting to ₱2.15 billion each - DBP as the Tranche A lender and SBC as the Tranche B lender. In 2020 and 2019, PHINMA Renewable made the following payments with their corresponding carrying values:

	Tranche A (DBP)		Tranche B (SBC)	
Payment date	Gross Amount	Carrying value	Gross Amount	Carrying value
February 14, 2019	27,172	25,466	27,172	26,224
August 14, 2019	29,332	27,785	29,332	28,479
February 14, 2020	29,332	27,635	29,332	28,406

- *Loan covenants.* ACEPH was able to obtain waivers of compliance for the Debt Service Cover Ratio and Debt-to-Equity ratio covenants from BDO, CBC, SBC, and DBP in 2019 as required by the terms of each respective Lender's loan agreement. ACEPH, classified the loans amounting to ₱8.36 billion as noncurrent as of December 31, 2019.

  PHINMA Renewable was in compliance with the loan covenants as at December 31, 2019. The compliance with the debt covenants is assessed annually by the lender. PHINMA Renewable is assessing its compliance with the loan covenants in light of the impact of the new adopted accounting standards. PHINMA Renewable will take necessary measures to ensure compliance with loan covenants.

SLTEC has complied with its contractual agreements and is compliant with the loan covenants as of reporting dates.

- *Others.* The loan facility is secured by PHINMA Renewable's wind farm, included in "Machinery and equipment" account under "Property, plant and equipment" with carrying value amounting to ₱4,055 million and ₱4,106 million as at March 31, 2020 and December 31, 2019, respectively (see Note 9). In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEPH entered into a Pledge Agreement covering the subscriptions of stocks of ACEPH and its nominees.

  Total interest expense recognized on ACEPH's, PHINMA Renewable's and SLTEC's long-term loans amounted to ₱335.90 million and ₱103.11 million for the three-month period ended March 2020 and 2019, respectively (see Note 24).

  For the three-month period ended March 31, 2020 and 2019, principal payments made relative to the Group's long-term loans amounted to ₱135.58 million and ₱126.37 million, respectively. ACEPH paid ₱43 million debt issue costs for the ₱5,000 million loans availed in 2019.

Short-term loan
On March 19, 2020, the Parent Company made an availment of a short-term loan from AC Renewables International PTE. LTD. (ACRI), an entity under the common control of AC Energy, amounting to $100 million or ₱5,104 million. This is in accordance with the Facility Agreement signed by both parties on March 20, 2020. Under the terms of the Facility Agreement, ACEPH may draw under the facility provided that a promissory note payable to the order of ACRI and dated on the actual drawing date was delivered to the latter. The principal sum shall be subject to interest while outstanding at the rate of 1.702% p.a. and shall be payable on maturity on September 16, 2020.

In addition to the loan from ACRI, the Parent Company also availed a short-term loan from Hongkong and Shanghai Banking Corporation (HSBC) amounting to ₱750.00 million.
Below is the pertinent details of the loan from HSBC.

Date of Availment	**Amount**	**Interest**	**Maturity**
March 23, 2020	₱250,000,000	5.080%	June 19, 2020
March 25, 2020	₱250,000,000	5.310%	June 23, 2020
March 26, 2020	₱250,000,000	5.800%	September 22, 2020

17. Other Noncurrent Liabilities

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Trade payables (see Note 14)	**₱1,123,511**	₱1,123,511
Nontrade payable	**1,914,518**	1,870,755
Accrued expenses	**180,305**	12,807
Deposit payable	**155,879**	169,773
Others	**211,949**	–
	₱3,586,162	₱3,176,846

Nontrade payable amounting to ₱1.88 billion pertains to the noncurrent portion of the amount payable to Axia for the purchase of the additional 20% interest in SLTEC thru the assignment of ACEI to

ACEPH of the share purchase agreement executed by ACEI and AXIA. The amount is payable of September 30, 2021.

Deposit payables consist of security deposits from RES Customers refundable at the end of the contract.

Accrued expenses pertains to accrual of asset retirement obligation from the acquisition of ISLASOL and SACASOL as well as various provisions.

Others includes derivative liabilities incurred by the group from hedging contracts.

The Group is a party to certain claims and assessments in the ordinary conduct of business. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the ground that it can be expected to prejudice the outcome or the Group's position with respect to these matters recorded under accrued expenses.

18. Equity

Capital Stock

Following are the details of the Parent Company's capital stock:

	Number of Shares	
	March 31, 2020 (Unaudited)	December 31 2019 (Audited)
Authorized capital stock - ₱1 par value	**8,400,000,000**	8,400,000,000
Issued shares:		
Balance at beginning of period	**7,521,774,922**	4,889,774,922
Issuance of new shares during the period	**–**	2,632,000,000
Balance at end of period	**7,521,774,922**	7,521,774,922

The issued and outstanding shares as at March 31, 2020 and December 31, 2019 are held by 3,192 equity holders.

The following table presents the track record of registration of capital stock:

Date of SEC Approval	No. of shares Registered	No. of shares Issued	Par Value	Issue/ Offer Price
08-Feb-69	2,000,000,000	1,000,000,000	₱0.01	₱0.01
22-Jul-75	2,000,000,000	937,760,548	0.01	0.01
16-Jul-79	6,000,000,000	6,058,354,933	0.01	0.01
12-Feb-88	10,000,000,000	7,643,377,695	0.01	0.02
08-Jun-93	10,000,000,000	8,216,141,069	0.01	0.01
15-Jul-94	70,000,000,000	50,170,865,849	0.01	0.01
24-Aug-05	1,000,000,000	264,454,741	1.00	1.00
06-Jun-11	2,200,000,000	1,165,237,923	1.00	1.00
12-Nov-12	4,200,000,000	2,027,395,343	1.00	1.00

Retained Earnings

Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint ventures and associates, which are not available for dividend declaration.

Dividends
There was no dividend declared for the three-month period ended March 31, 2020 and 2019.

Treasury Shares
As a result of PHINMA Power becoming a wholly owned subsidiary of ACEPH effective January 1, 2013, the Parent Company's shares of stock held by PHINMA Power amounting to ₱28.79 million was considered as treasury shares. On December 21, 2018, PHINMA Power sold 1,152,000 shares of the Parent Company.

On March 18, 2020, the Board of Directors of the Parent Company approved a share buy-back program to support share prices through the repurchase in the open market of up to ₱1 billion worth of common shares beginning March 24, 2020. From March 25-27, 2020, the Parent Company bought back 4,000,000 of its share amounting to ₱7.31 million.

Other Equity Reserves

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Effect of acquisition of ISLASOL and SACASOL(a)	**₱2,793,674**	₱–
Effect of purchase of SLTEC's 20% share (b)	**(2,229,587)**	(2,229,587)
Effect of purchase of ACEX shares (c)	**(130,854)**	(130,854)
Other equity reserves from joint venture (d)	**17,231**	17,231
Effect of distribution of property dividends - ACEX shares (e)	**1,107**	1,107
	₱451,571	(₱2,342,103)

(a) This is the provisional negative goodwill temporarily lodged in equity reserves in relation to the acquisition of ISLASOL and SACASOL pending finalization of purchase price allocation. (see Note 3).

(b) This represents the impact of step acquisition where ACEI assigned to ACEPH the purchase of the 20% interest in SLTEC thereby increasing ACEPH's ownership of SLTEC to 65% which already qualifies as a controlling interest.

(c) This represents the impact of ACEPH's purchase of PHINMA Inc.'s and PHINMA Corporation's combined stake in ACE Enexor. As at March 31, 2020, the Parent Company's effective ownership in ACE Enexor increased from 50.74% to 75.92%.

(d) This relates to the accumulated share in expenses directly attributable to issuance of shares of stocks of SLTEC, one of the Parent Company's joint ventures.

(e) This represents the impact of the property dividend distribution in the form of ACE Enexor shares on the equity attributable to equity holders of the Parent Company when the Parent Company's ownership interest decreased but did not result in loss of control. The Parent Company's effective ownership in ACE Enexor decreased from 100% to 50.74% in 2014.

19. **Revenue from Sale of Electricity**

The table presents the Group's revenue from different revenue streams for the three month period.

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Revenue from power supply contracts	**₱3,764,886**	₱2,823,457
Revenue from power generation and trading	**440,653**	561,138
	₱4,205,539	₱3,384,595

Revenues from power supply contract from the three-month period ended March 31, 2020 include customer pre-termination fees of ₱289.08 million.

20. **Costs of Sale of Electricity**

	For the three months ended March 31	
	2020 (Unaudited)	2019 **(Unaudited)**
Costs of power purchased	**₱1,776,207**	₱2,898,949
Fuel (see Note 6)	**850,560**	200,886
Depreciation and amortization (see Note 9, 13 and 23)	**312,383**	92,859
Repairs and maintenance	**132,196**	33,498
Taxes and licenses	**77,880**	27,662
Insurance	**71,632**	18,109
Salaries (see Note 22)	**62,021**	22,818
Rent	**5,798**	18,671
Pension and employee benefits (see Note 22)	**1,092**	4,690
Transmission costs	**–**	11,172
Stations used	**–**	24,404
Filing fees	**–**	390
Others	**75,961**	5,225
	₱3,365,730	₱3,359,333

21. General and Administrative Expenses

	For the three months ended March 31	
	2020 (Unaudited)	2019 **(Unaudited)**
Taxes and licenses	**₱111,396**	₱32,560
Management and professional fees	**99,413**	36,100
Salaries and directors' fees (see Note 22)	**65,533**	41,227
Depreciation and amortization (see Notes 9, 13, and 23)	**14,713**	5,601
Building maintenance and repairs	**2,804**	3,499
Insurance, dues and subscriptions	**2,137**	2,597
Rent	**2,022**	–
Contracted services	**913**	–
Office supplies	**682**	291
Transportation and travel	**388**	682
Advertising	**356**	–
Pension and employee benefits (see Note 22)	**183**	4,617
Meetings and conference	**172**	–
Entertainment, Amusement and recreation	**29**	–
Communication	**23**	–
Bank charges	**–**	6,384
Plug and abandonment	–	424
Contractor's fee	**–**	194
Others	**5,376**	2,306
	₱306,140	₱136,482

22. Personnel Expenses

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Salaries and directors' fees included under:		
Cost of sale of electricity (see Note 20)	**₱62,021**	₱22,818
General and administrative expenses (see Note 21)	**65,533**	41,227
Pension and other employee benefits included under:		
Cost of sale of electricity (see Note 20)	**1,092**	4,690
General and administrative expenses (see Note 21)	**183**	4,617
	₱128,829	₱73,352

23. Depreciation and Amortization

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Property, plant and equipment (see Note 9)	**₱305,468**	₱94,412
Right-of-use assets (see Note 13)	**21,628**	–
Leasehold rights (see Note 12)	**–**	4,048
	₱327,096	₱98,460
Cost of sale of electricity (see Note 20)	**₱312,383**	₱92,859
General and administrative expenses (see Note 21)	**14,713**	5,601
	₱327,096	₱98,460

24. Other Income

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Interest and other financial income	**₱50,018**	₱16,829
Foreign exchange gain (loss) - net	**(11,438)**	191
Loss on derivatives - net	**(33)**	–
Gain on sale of asset held for sale (see Note 8)	–	14,289
Others	**135,446**	571
	₱173,993	₱31,880

Others include fees for advisory services pursuant to a Services Agreement with a third party rendered during the quarter amounting to ₱121.84 million.

Financial Income
The details of interest and other financial income are as follows:

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Audited)
Interest income on:		
Cash in banks and short term deposit (see Note 4)	**₱43,074**	₱5,017
Receivables and others	**6,944**	5,398
Net gains on investments held for trading	**–**	6,414
	₱50,018	₱16,829

Interest and Other Finance Charges

The details of interest and other finance charges are as follows:

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
Interest expense on:		
Long-term loans (see Note 16)	**₱333,337**	₱103,112
Short-term loans (see Note 16)	**2,655**	6,242
Lease liability	**13,481**	4,486
Amortization of debt issue cost (see Note 16)	**–**	1,976
Others	**–**	(1,095)
Other finance charges	**–**	2
	₱349,473	₱114,723

25. **Income Taxes**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statements of income are:

	For the three months ended March 31	
Income taxes	**2020 (Unaudited)**	2019 (Unaudited)
Current	**₱61,625**	₱7,735
Deferred	**14,099**	23,727
Benefit from income tax	**₱75,724**	₱31,462

Net deferred income tax assets and net deferred income tax liabilities amounted to ₱665.38 million and ₱191.27 million, respectively, as at March 31, 2020 and ₱612.55 million and ₱187.62 million, respectively, as at December 31, 2019.

Deferred income tax assets have not been recognized on these temporary differences as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

26. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. No Provision for credit losses recognized for receivables from related parties recorded for the three-month period ended March 31, 2020 and year ended December 31, 2019, respectively. The assessment of collectability of receivables from related parties is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.

The transactions and balances of accounts as at and for the three-month period ended March 31, 2020 and year ended December 31, 2019 related parties are as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Advances to affiliates (see Note 14)		
SolarAce1 Energy Corp.	**₱1,386,963**	₱26,000
Ingrid Power Holdings, Inc.	**720,000**	150,000
Gigasol 3, Inc.	**321,000**	–
	₱2,427,963	₱176,000
Due from related parties (see Note 5)		
Gigasol 3, Inc.	**₱310**	₱–
AC Energy Development Inc.	**44**	–
ACEI	**–**	9
	₱354	₱9
Due to related parties (see Note 15)		
ACEI	**₱93,565**	₱31,843
MGI	**54,402**	157,965
Asia Coal	**254**	254
	₱148,221	₱190,062

AC Energy

The Parent Company and its subsidiaries PHINMA Power, CIPP and PHINMA Renewable have management contracts with PHINMA, Inc. These Management Contracts were assigned to AC Energy on June 25, 2019 through the executed Deed of Assignment.

MGI
The Parent Company purchases the entire net electricity output of MGI. Other transactions with MGI include reimbursements of expenses and advances for future subscriptions.

Indebtedness of or Advances to Related parties
As at March 31, 2020, the Group's advances to related parties arise from the acquisition of shares of Ingrid Power Holdings, Inc. Solar Ace1 Energy, Corp and Gigasol 3, Inc. of the Parent Company.

The Risk Management and Related Party Transactions (RPT) Committee shall review and the Board of Directors approve all SEC defined and Company Recognized Material RPTs before its commencement. SEC defined material related party transactions are any RPT, either individually, or in aggregate over a 12-month period of the Group with the same related party, amounting to 10% or higher of the Group's total consolidated assets based on the latest audited financial statements. Company Recognized Material RPT are any related party transaction/s that meet the threshold values approved by the RPT Committee, i.e. 50 million or 5% of the Group's total consolidated assets, whichever is lower, and other requirements as may be determined by the Committee upon the recommendation of the Risk Management Group.

Compensation of Key Management Personnel
Compensation of key management personnel of the Group amounted to ₱6.4 million for the three-month period ended March 31, 2010

27. Earnings (Loss) Per Share

Basic and diluted EPS are computed as follows:

	For the three months ended March 31	
	2020 (Unaudited)	2019 (Unaudited)
	(In Thousands, Except for Number of Shares and Per Share Amounts)	
(a) Net income (loss) attributable to equity holders of Parent Company	**₱306,936**	(₱145,265)
Common shares outstanding at beginning of period (see Note 18)	**7,521,774,922**	4,889,774,922
Weighted average number of common shares buyback during the year	**(219,780)**	–
(b) Weighted average common shares outstanding	**7,521,555,142**	4,889,774,922
Basic/Diluted earnings (loss) per share (a/b)	**₱0.04**	(₱0.03)

For the three-month period ended March 31, 2020 and 2019, the Parent Company does not have any potential common shares or other instruments that may entitle the holder to common shares.

Consequently, diluted earnings (loss) per share is the same as basic earnings (loss) per share for the three- month period ended March 31, 2020 and 2019.

28. Significant Laws, Commitments and Contracts

The information provided in this report must be read in conjunction with the 2019 audited consolidated financial statements of the Group.

Updates to certain contracts and commitments disclosed in the annual consolidated financial statements as at December 31, 2019 and new contracts entered during the three-month period ended March 31, 2020 are provided below:

Feed-in-Tariff (FIT)
On June 10, 2015, the SLWP was issued a Certificate of Endorsement for Feed-In Tariff Eligibility by the DOE.

On December 1, 2015, PHINMA Renewable received its Certificate of Compliance from the ERC which entitles PHINMA Renewable to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034. Outstanding receivable under the FIT System amounted to ₱129.97 million and ₱190.89 million as at March 31, 2020 and December 31, 2019, respectively.

Service Contracts with the DOE

Solar Energy Service Contract (SESC) (Bugallon, Pangasinan)
On May 22, 2017, the DOE awarded a SESC to the Parent Company, which grants the Parent Company the exclusive right to explore, develop and utilize the solar energy resource in a 648-hectare area in the Municipality of Bugallon, Province of Pangasinan. Pre-development activities, such as, yield assessment, environmental impact study and system impact study are underway and are expected to be completed within the year. The Parent Company hopes to construct a 45MW ground mount fixed-tilt grid tied solar PV plant in the service contract area. The term of the service contract is twenty-five (25) years, extendable for another 25 years. All costs of the Bugallon Solar project were not capitalized as these were costs incurred prior to exploration and development activities.

Solar Energy Service Contract (Lipa City and Padre Garcia, Batangas)
On July 18, 2017, the DOE awarded a SESC to the Parent Company, which grants the Parent Company the exclusive right to explore, develop and utilize the solar energy resource in a 486 hectare area in the City of Lipa and Municipality of Padre Garcia, Province of Batangas. The Parent Company hopes to construct a 45MW ground mount fixed-tilt grid connected solar plant in the service contract area. All technical studies were completed and necessary permits were secured such as the ECC as well as local government endorsement. The term of the service contract is twenty-five (25) years, extendable for another 25 years. All costs of the Lipa and Padre Garcia Solar project were not capitalized as these were costs incurred prior to exploration and development activities.

One Subic Power's Facilities Lease Agreement with SBMA
One Subic Power has a lease contract with SBMA for a parcel of land and electric generating plant and facilities. The lease was originally entered on July 20, 2010 and was valid for five years. The agreement was amended on October 24, 2012 to extend the term of the lease to July 19, 2020 with an option to renew for another five years. On December 21, 2017, SBMA informed One Subic Power that its BOD has approved the amendments of the FLA extending the lease term until July 19, 2030. On April 3, 2018, the third amendments were signed and approved.

For the three-month period and year-ended March 31, 2020 and December 31, 2019, OSPGC recognized finance charges on the lease liabilities amounting to ₱9.04 million and ₱9.74 million, respectively. "Finance charges" are part of "Interest and Other Finance Charges" account. OSPGC also recognized rent expense amounting to ₱3.84 million and ₱2.43 million for the three-month period and year-ended March 31, 2020 and December 31, 2019, respectively. "Rent expense" is under "Cost of sale electricity".

PHINMA Renewable's Lease Agreement with Various Land Owners
PHINMA Renewable has entered into various lease agreements with individual land owners where the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the leased assets, which indicates that the risks and rewards relates to the asset are retained with the land owners. These leases are classified as operating leases and have terms of twenty (20) to twenty-five (25) years.

For the three-month period ended March 31, 2020, PHINA Renewable recognized finance charges on the lease liabilities amounting to ₱4.44 million, included under "Interest and Other Finance Charges" account.

Easements and Right of Way Agreements
In 2014, PHINMA Renewable also entered to various easements and right of way agreements with land owners in Guimaras for the erection of transmission lines that will connect the 54 MW wind farm project located in San Lorenzo, Guimaras to the grid. One-off payments made by PHINMA Renewable to various land owners to cover the 25-year easement and right of way agreements were recognized as prepaid rent in the consolidated statements of financial position and amortized over the term of the lease. The amortization of the lease during the construction period was capitalized as part of the cost of the wind farm.

PHINMA Renewable recognized rent expense of *ACEPH's Agreement on Assignment of Contract of Lease*
On November 20, 2019, the Parent Company, AC Energy, Ayala Land, Inc. (ALI) and Ayalaland Offices, Inc. entered an agreement on assignment of contract of lease. AC Energy assigned a portion of its office unit and parking slots effective September 1, 2019. The lease is until May 31, 2022. The lease is at a fixed monthly rate of ₱0.83 million and ₱0.01 million for the office unit and parking slots, respectively with an escalation rate of 5% every year, beginning on the second year. For the three-month period ended March 31, 2020, ACEPH recognized finance charges on the lease liabilities amounting to ₱0.30 million, included under "Interest and Other Finance Charges" account.

SLTEC's Contract of Lease for Office Space
On December 19, 2019, SLTEC notified the lessor of their intent to pre-terminate their office lease contract effective March 31, 2020. SLTEC remeasured the lease liability and ROU asset as a result of the termination of the contract (see Note 13).

29. **Financial Risk Management Objectives and Policies**

Objectives and Investment Policies
The funds of the entities are held directly by the Group and are managed by AC Energy's Risk, Corporate Finance, Investor Relations and Treasury Group (RCIT).
All Cash investments of the Group are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance is yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

RCIT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Group's financial assets that finance the Group's operations and investments in enterprises.

RCIT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Market risk
- Interest rate risk

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

Foreign Exchange Risk
The Group defines Foreign Exchange Risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:
- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

- Trading either by spot conversions; and
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values

The Group's significant foreign currency-denominated financial assets and financial liabilities as at March 31, 2020 and December 31, 2019 are as follows:

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	U.S. Dollar (US$)	**Euro (€)**	U.S. Dollar (US$)	Euro (€)
Financial Assets				
Cash and cash equivalents	**$5,523**	**€–**	$14,192	€–
Short-term investments	**–**	–	2,776	–
Other receivables	**–**	–	441	–
	5,523	–	17,409	–
Financial Liabilities				
Accounts payable and other current liabilities	**–**	–	(1,416)	(615)
Due to related parties	**1,959**	–	–	
	(1,959)	–	(1,416)	(615)
Net foreign currency-denominated assets (liabilities)	**$3,564**	**€–**	$15,993	(€615)
Peso equivalent	**₱181,907**	**₱–**	₱811,485	(₱34,692)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rate used were ₱51.04 to US$1.00 and ₱56.39 to €1.00 as at March 31, 2020 and ₱50.74 to US$1.00 and ₱56.41 to €1.00 as at December 31, 2019.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in 2020 and 2019. The possible changes are based on the survey conducted by management among its banks. There is no impact on the Group's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Year	**Increase (Decrease) in Foreign Exchange Rate**	**US$**	**Euro (€)**
2020	**(₱0.50)**	**(₱1,782)**	**₱–**
	(1.00)	**(3,564)**	**–**
	0.50	**1,782**	**–**
	1.00	**3,564**	**–**
2019	(₱0.50)	(₱7,997)	(₱725)
	(1.00)	(15,993)	(1,450)
	0.50	7,997	725
	1.00	15,993	1,450

Credit or Counterparty Risk
The Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by RCIT before it is executed subject to the Group's Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and RCIT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Group, its exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	March 31, 2020 (Unaudited)					
	Neither Past Due nor Impaired			**Past Due but not**	**Past Due Individually**	
	Class A	**Class B**	**Class C**	**Impaired**	**Impaired**	**Total**
Trade and other receivables						
Current:						
Trade receivables	**₱1,658,267**	**₱–**	**₱–**	**₱1,891,151**	**₱39,013**	**₱3,588,431**
Due from related parties	**–**	**–**	**–**	**354**	**–**	**354**
Others	**301**	**599,060**	**–**	**37,856**	**83,223**	**720,440**
Noncurrent						
Trade receivables	**–**	**–**	**–**	**1,123,511**	**13,751**	**1,137,262**
Receivables from third parties	**–**	**456,997**	**–**	**–**	**–**	**456,997**
	₱1,658,568	**₱1,056,057**	**₱–**	**₱3,052,872**	**₱135,987**	**₱5,903,484**

	December 31, 2019 (Audited)					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	
	Class A	Class B	Class C	Impaired	Impaired	Total
Trade and other receivables						
Current:						
Trade receivables	₱1,944,166	₱–	₱–	₱250,602	₱39,014	₱2,233,782
Due from related parties	9	–	–	–	–	9
Others	–	96,641	–	437,001	83,222	616,864
Noncurrent						
Trade receivables	–	–	–	1,123,511	13,751	1,137,262
Receivables from third parties	–	423,705	–	–	–	423,705
	₱1,944,175	₱520,346	₱–	₱1,811,114	₱135,987	₱4,411,622

The Group uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term investments, financial assets at FVOCI and derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents, short-term investments and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Listed and unlisted financial assets at FVOCI were assessed as high grade since these are investments in instruments that have a recognized foreign or local third party rating or instruments which carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk of financial assets not subject to impairment
The gross carrying amount of financial assets not subject to impairment also represents the Group's maximum exposure to credit risk which mainly pertains to financial assets at FVOCI amounting to ₱ 1.25 million as of March 31, 2020 and December 31, 2019.

Maximum exposure to credit risk of financial assets subject to impairment
The gross carrying amount of financial assets subject to impairment are as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱5,662,968**	₱8,581,351
Short-term investments	**–**	100,000
Under "Receivables" account		
Trade receivables	**3,588,431**	2,233,782
Due from related parties	**354**	9
Others	**720,440**	616,864
Under "Other Noncurrent Assets" account		
Receivables from third parties	**456,997**	423,705
Deposits and advances to suppliers	**363,429**	341,014
	₱10,792,619	₱12,296,725

The Group's maximum exposure to credit risk are as follows:

	March 31, 2020 (Unaudited)				
	12-month	**Lifetime ECL**			**Total**
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	
High	**₱5,662,968**	**₱–**	**₱–**	**₱8,609,119**	**₱14,272,087**
Standard	–	–	–	–	–
Substandard	–	–	–	–	–
Default	–	–	–	**137,323**	**137,323**
Gross carrying amount	**5,662,968**	–	–	**8,746,442**	**14,409,410**
Less loss allowance	–	–	–	**135,987**	**135,987**
Carrying amount	**₱5,662,968**	**₱–**	**₱–**	**₱8,610,455**	**₱14,273,423**

	December 31, 2019 (Audited)				
	12-month	Lifetime ECL			Total
Grade	Stage 1	Stage 2	Stage 3	Simplified Approach	
High	₱8,219,484	₱–	₱–	₱3,094,449	₱11,313,933
Standard	–	–	–	–	–
Substandard	–	–	–	–	–
Default	–	–	–	120,262	120,262
Gross carrying amount	8,219,484	–	–	3,214,711	11,434,195
Less loss allowance	–	–	–	122,236	122,236
Carrying amount	₱8,219,484	₱–	₱–	₱3,092,475	₱11,311,959

Liquidity Risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments do not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

	March 31, 2020 (Unaudited)					
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 Year to 5 Years**	**More than 5 Years**	**Total**
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	**₱684,960**	**₱1,867,698**	**₱1,452,384**	**₱–**	**₱–**	**₱4,005,042**
Retention payable	**–**	**1,971**	**19,115**	**–**	**–**	**21,086**
Accrued expenses [a]	**293,623**	**7,000**	**183,008**	**–**	**–**	**483,631**
Accrued interest	**–**	**19,486**	**130,844**	**–**	**–**	**150,330**
Due to related parties	**109,198**	**36,757**	**-**	**2,266**	**–**	**148,221**
Derivative liability	**–**	**–**	**21,060**	**190,568**	**–**	**211,628**
Others [b]	**673**	**–**	**–**	**–**	**–**	**673**
Due to stockholders	**16,594**	**–**	**–**	**–**	**–**	**16,594**
Lease liabilities [c]	**–**	**8,210**	**24,630**	**103,002**	**412,008**	**547,850**
Short-term loans	**–**	**5,854,400**	**–**	**–**	**–**	**5,854,400**
Long-term loans [d]	**–**	**258,285**	**219,173**	**10,430,171**	**11,890,675**	**22,798,304**
Other noncurrent liabilities	**54**	**–**	**–**	**–**	**3,623,182**	**3,623,236**
	₱1,105,102	**₱8,053,807**	**₱2,050,214**	**₱10,726,007**	**₱15,925,865**	**₱37,860,995**

[a] *Excluding current portion of vacation and sick leave accruals.*
[b] *Excluding payable to officers and employees.*
[c] *Gross contractual payments.*
[d] *Including contractual interest payments.*

	December 31, 2019 (Audited)					
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	Total
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱–	₱961,726	₱1,957,480	₱	₱–	₱2,919,206
Retention payable	–	2,050	–	–	–	2,050
Accrued expenses [a]	23,942	35,912		–	–	59,854
Accrued interest	–	34,405	103,213	–	–	137,618
Due to related parties	–	142,546	47,516	–	–	190,062
Derivative liability	–	21,060	–	–	–	21,060
Accrued directors' and annual incentives	50	–	–	–	–	₱50
Others b	13,902	–	–	–	–	13,902
Due to stockholders	16,594	–	–	–	–	16,594
Lease liabilities c	–	8,386	25,157	105,206	420,822	559,571
Long-term loans d	–	296,922	296,925	8,076,832	12,115,249	20,785,928
Other noncurrent liabilities	–	–	–	2,048,335	1,128,511	3,176,846
	₱54,488	₱1,503,007	₱2,430,291	₱10,230,373	₱13,664,582	₱27,882,741

a *Excluding current portion of vacation and sick leave accruals amounting to ₱6.94 million.*
b *Excluding payable to officers and employees amounting to ₱9.21 million.*
c *Gross contractual payments.*
d *Including contractual interest payments.*

As at March 31, 2020 and December 31, 2019, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	March 31, 2020 (Unaudited)				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱5,663,745**	**₱–**	**₱–**	**₱–**	**₱5,663,745**
Receivables:					
Trade	**2,669,704**	**119,986**	**759,728**	**39,013**	**3,588,431**
Due from related parties	**354**	**–**	**–**	**–**	**354**
Others	**609,844**	**12,400**	**14,973**	**83,223**	**720,440**
Noncurrent:					
Trade receivables	**1,137,262**	**–**	**–**	**–**	**1,137,262**
Receivable from third parties	**–**	**–**	**–**	**456,997**	**456,997**
Deposit receivables	**–**	**–**	**–**	**104,438**	**104,438**
Derivative assets	**–**	**–**	**–**	**–**	**–**
Financial assets at FVOCI:					
Quoted	**–**	**–**	**–**	**21**	**21**
Unquoted	**–**	**–**	**–**	**1,230**	**1,230**
	₱10,080,909	**₱132,386**	**₱774,701**	**₱684,922**	**₱11,672,918**

	December 31, 2019 (Audited)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱8,581,663	₱–	₱–	₱–	₱8,581,663
Short-term investments	100,000	–	–	–	100,000
Receivables:					
Trade	1,944,166	289,616	–	–	2,233,782
Due from related parties	9	–	–	–	9
Others	96,641	520,223	–	–	616,864
Deposit receivables*	–	–	77,284	–	77,284
Noncurrent:					
Trade receivables	1,137,262	–	–	–	1,137,262
Receivable from third parties	–	–	–	423,705	423,705

	December 31, 2019 (Audited)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Deposit receivables	–	–	–	109,419	109,419
Derivative assets	–	33	–	–	33
Financial assets at FVOCI:					
Quoted	–	–	–	21	21
Unquoted	–	–	–	1,230	1,230
	₱11,859,741	₱809,872	₱77,284	₱534,375	₱13,281,272

**Excluding nonrefundable deposits amounting to nil and ₱13.52 million as at December 31, 2019.*

Market Risk
Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020 and December 31, 2019, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policies are as follows:

PHINMA Renewable
PHINMA Renewable entered into a ₱4.30 billion peso-denominated Term Loan Facility that will be used to partially finance the 54MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2.15 billion each - DBP as the Tranche A lender and SBC as the Tranche B lender.

Both tranches have a term of fifteen (15) years with semi-annual interest payments starting on the date on which the loan is made. The interest of Tranche A bears a fixed rate for the first ten (10) years and is subject to an interest rate repricing on the last five (5) years.

On April 28, 2016, PHINMA Renewable prepaid a portion of its long-term debt in accordance with the terms of the Agreement as follows:

- PHINMA Renewable shall effect a mandatory prepayment of the loan, without premium or penalty, within three (3) business days from receipt by PHINMA Renewable of any transmission line proceeds;
- prepay the loan to the extent of seventy percent (70%) of the transmission line proceeds;
- the remaining thirty percent (30%) shall be transferred directly into PHINMA Renewable controlled distribution account for further distribution to the Project Sponsor.

ACEPH
In 2014, the Parent Company also availed a total of peso-denominated ₱3.00 billion corporate notes and loan agreements from CBC, SBC and BDO to be used to fund its projects and working capital. SBC has a term of five (5) years with quarterly payments starting on the 5th quarter drawdown. Both

BDO and CBC have a term of ten (10) years with quarterly payments starting on the 5th quarter drawdown having fixed interest rates to be repriced for the last three (3) years.

On June 28, 2019 and July 08, 2019, the Parent Company prepaid its floating rate debt with SBC and BDO amounting to ₱0.93 million and ₱0.40 million, respectively. This is in line with the Parent Company's objective to mitigate uncertainties in its earnings and cash flows.

Commodity Price Risk
The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit & Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Group's Chief Executive Officer and Chief Finance Officer are authorized to make coal and fuel hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness and Coal and Fuel Hedging Strategy are reviewed quarterly during the Group's Finance Committee (FINCOM). Continuation, addition, reduction and termination of existing hedges are decided by the FINCOM and any material change in permissible hedging instrument, counterparties and limits are elevated to the Board for approval.

As at March 31, 2020 and December 31, 2019, the Group's outstanding coal and fuel hedge volumes and resulting derivative liability as follows:

Coal

	March 31, 2020		**Test of**
	In Metric Tons (MT)	**U.S. Dollar (US$)**	**Effectiveness**
Derivative Liabilities	**443,000**	**(3,060)**	**100%**
BAP closing rate		**50.694**	
Peso equivalent		**(155,124)**	

	December 31, 2019		Test of
	In Metric Tons (MT)	U.S. Dollar (US$)	Effectiveness
Derivative Liabilities	135,000	(414)	100%
BAP closing rate		50.82	
Peso equivalent		(₱21,039)	

Fuel

	March 31, 2020		Test of
	In Metric Tons (MT)	U.S. Dollar (US$)	Effectiveness
Derivative Liabilities	**26,049**	**(1,113)**	**100%**
BAP closing rate		**50.694**	
Peso equivalent		**(56,422)**	

The portion of gain or loss on the hedging instrument amounting to ₱148.14 million that is determined to be effective hedge shall be recognized in other comprehensive income as at March 31, 2020

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVOCI.

Monitoring of Risk Management Process
Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Weekly market reports are submitted to the Management Committee that includes an updated summary of global and domestic events of the past month and the balance of the year.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

During 2014, the Parent Company availed of ₱3.00 billion loans from CBC, SBC and BDO and a ₱4.30 billion peso-denominated Term Loan Facility with SBC and DBP. During 2017, the Parent Company availed of ₱2.35 billion loans with SBC and DBP (see Note 16). During 2018, the Parent Company availed of ₱0.93 billion loans with SBC. During 2020, the Parent company availed of ₱5.10 billion short-term loans with ACRI and a ₱750.00 million short-term loan from HSBC. In relation to these loans, the Parent Company closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keeps the compliance of these covenants into consideration.

30. **Fair Values**

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at March 31, 2020 and December 31, 2019:

	March 31, 2020 (Unaudited)			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Financial assets at FVOCI	**₱1,251**	**₱21**	**₱1,230**	**₱–**
Refundable deposits**	**253,434**	**–**	**–**	**253,434**
Receivables from third parties***	**825,872**	**–**	**–**	**825,872**
	₱1,080,557	**₱21**	**₱1,230**	**₱1,079,306**
Liabilities				
Long-term debt	**₱22,798,303**	**₱–**	**₱22,798,303**	**₱–**
Deposit payables and other liabilities****	**7,276,704**	**–**	**–**	**7,276,704**
Derivative liability	**211,568**	**–**	**211,568**	**–**
	₱30,286,575	**₱–**	**₱23,009,871**	**₱7,276,704**

	December 31, 2019 (Audited)			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVOCI	₱1,251	₱21	₱1,230	₱–
Derivative assets*	33	–	33	–
Refundable deposits**	186,703	–	–	186,703
Receivables from third parties***	333,333	–	–	333,333
	₱521,320	₱21	₱1,263	₱520,036
Liabilities				
Long-term debt	₱20,785,928	₱–	₱20,785,928	₱–
Deposit payables and other liabilities****	6,085,290	–	–	6,085,290
Derivative liability	21,060	–	21,060	–
	₱26,892,278	₱–	₱20,806,988	₱6,085,290

** Included under "Other current assets" account.*
*** Included under "Other current assets" and "Other noncurrent assets" accounts.*
**** Included under "Receivables" and "Other noncurrent assets" accounts.*
***** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders
The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Asset at FVOCI
Quoted market prices have been used to determine the fair values of quoted financial assets at FVOCI.

The fair value of derivative assets of freestanding forward currency transactions is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refundable Deposits, Deposits Payable and Other Liabilities
Estimated fair value is based on present value of future cash flows discounted using the prevailing PDST-R2 rates that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Long-Term Loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

31. Operating Segments

The Group is divided into two reportable operating segments based on the nature of the services provided - Power and Petroleum. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim consolidated financial statements.

	For the three months ended March 31, 2020 (Unaudited)				
	Power	Petroleum	Segment Total	Adjustments and Eliminations	Consolidated
Revenue	₱4,205,539	₱–	₱4,205,539	₱–	₱4,205,539
Costs and expenses	(3,526,171)	(1,233)	(3,527,404)	(144,466)	(3,671,870)
Other income (expense):					
Equity in net income of associates and joint ventures	29,099	–	29,099	–	29,099
Interest and other financial charges	(30,175)	–	(30,175)	(319,298)	(349,473)
Interest and other financial income	–	–	–	50,018	50,018
Gain (loss) on sale of:					
Asset held for sale	–	–	–	–	–
Investments	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Inventory	–	–	–	–	–
Foreign exchange loss	–	–	–	(11,438)	(11,438)
Mark-to-market gain on derivatives	–	–	–	–	–
Others	6,733	–	6,733	128,680	135,413
Segment Income(loss)	₱685,025	(₱1,233)	₱683,792	(₱296,504)	₱387,288

	As at March 2020 (Unaudited)				
	Power	Petroleum	Segment Total	Adjustments and Eliminations	Consolidated
Operating assets	₱43,938,873	₱57,604	₱43,996,477	₱8,462,163	₱52,458,640
Operating liabilities	₱20,009,629	₱15,363	₱20,024,992	₱18,363,893	₱38,388,885
Other disclosures:					
Capital expenditures	₱243,828	₱–	₱243,828	₱10,382	₱254,210
Disposal of assets	7,302	–	7,302	–	7,302
Investments	3,327,123	–	3,327,123	–	3,327,123
Depreciation and amortization	327,054	42	327,096	–	327,096
Provision for income tax	–	–	–	75,725	75,725

	For the three months ended December 31, 2019 (Audited)				
	Power	Petroleum	Segment Total	Adjustments and Eliminations	Consolidated
Revenue	₱3,384,595	₱–	₱3,384,595	₱2,342	₱3,386,937
Costs and expenses	(3,442,935)	(4,559)	(3,447,494)	(48,321)	(3,495,815)
Other income (expense) – net					
Equity in net earnings of associates and joint ventures	76,956	–	76,956	–	76,956
Interest and other financial charges	(31,902)	–	(31,902)	(82,821)	(114,723)
Interest and other financial income	–	–	–	16,829	16,829
Gain on sale of:					
Asset held for sale	14,289	–	14,289	–	14,289
Investments	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–
Available for sale investments	–	–	–	–	–
Foreign exchange loss	–	–	–	191	191
Marked-to-market gain on derivatives	–	–	–	–	–
Others	431	–	431	140	571

	For the three months ended December 31, 2019 (Audited)				
	Power	Petroleum	Segment Total	Adjustments and Eliminations	Consolidated
Segment profit	**1,434**	**(4,559)**	**(3,125)**	**11,625,646**	**(114,765)**
	As at December 31, 2019				
Operating assets	**₱27,910,722**	**₱57,801**	**₱27,968,523**	**₱11,752,282**	**₱39,720,805**
Operating liabilities	**₱18,554,725**	**₱30,716**	**₱18,585,441**	**₱10,030,546**	**₱28,615,987**
Other disclosure					
Capital expenditures	**₱386,879**	**₱–**	**₱386,879**	**₱3,547**	**₱390,426**
Disposal of assets	**15,506**	**63**	**15,569**	**237,072**	**252,641**
Investments and advances	**4,147,257**	**–**	**4,147,257**	**(3,424,092)**	**723,165**
Depreciation and amortization	**(380,524)**	**(469)**	**(380,993)**	**(511,473)**	**(892,466)**
Provision for income tax	**–**	**–**	**–**	**(148,819)**	**(148,819)**

Seasonality of operations

There were no operations subject to seasonality and cyclicality except for the operation of PHINMA Renewable's wind farm. The wind regime is high during the northeast monsoon ("amihan") season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon ("habagat"). This information is provided to allow for a better understanding of the results, however, management has concluded that this is not 'highly seasonal' in accordance with PAS 34.

32. Supplemental Cash Flow Information

The following table shows the Group's non-cash financing activities and corresponding transaction amounts for the three-month period ended March 31, 2020 and for the year ended December 31, 2019:

	January 1, 2020 (as Adjusted, Unaudited)	Availments	Payments	Others	March 31, 2020
Current portion of:					
Short-term loans	**₱–**	**₱5,873,333**	**₱–**	**(₱18,933)**	**₱5,854,400**
Long-term loans	**593,847**	**–**	**(135,580)**	**2,275,778**	**2,734,045**
Lease liabilities	**33,542**	**–**	**(34,772)**	**36,593**	**35,363**
Noncurrent portion of:					
Long-term loans	**20,192,081**	**–**	**–**	**(127,823)**	**20,064,258**
Lease liabilities	**526,029**	**–**	**–**	**(13,542)**	**512,487**
Total liabilities from financing activities	**₱21,345,499**	**₱5,873,333**	**(₱170,352)**	**₱2,152,073**	**₱29,200,553**

There were no non-cash additions to property, plant and equipment for the three-month period ended March 31, 2020 and 2019, respectively.

As at March 31, 2020, the current long-term loans acquired through the business combination of ISLASOL amounted to ₱2,140.73 million.

33. Contingencies

Tax assessments:

a. On September 5, 2017, CIPP received a Final Decision on Disputed Assessment from the BIR demanding the payment of a total amount of ₱341.73 million for various alleged deficiency taxes for taxable year 2013. On October 4, 2017, CIPP filed its request for reconsideration with the Office of the Commissioner. In the opinion of CIPP's management, in consultation with its outside counsel, these proceedings will not have material or adverse effect on the financial statements. The information usually required by PAS 37 is not disclosed on the ground that it can be expected to prejudice the outcome or CIPP's position with respect to these matters. As at May 11, 2020, the case is still pending.

b. On August 20, 2014, ACEPH distributed cash and property dividends in the form of shares in ACE Enexor after securing SEC's approval of the registration and receipt of Certificate Authorizing Registration (CAR) from the BIR.

   On October 22, 2014, ACEPH received from the BIR a Formal Letter of Demand (FLD), assessing ACEPH for a total donor's tax due of ₱157.75 million inclusive of penalty and interest up to September 30, 2014.

   On November 21, 2014, ACEPH and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

   1) The dividend distribution is a distribution of profits by ACEPH to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEPH;
   2) ACEPH did not realize any gain or increase its wealth as a result of the dividend distribution; and,
   3) There was no donative intent on the part of ACEPH.

   On May 27, 2015, ACEPH received from the BIR a Final Decision on Disputed Assessment (FDDA) dated May 26, 2015, denying the protest.

   On June 25, 2015, ACEPH filed with the CTA a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment. In its decision dated September 28, 2018, the CTA cancelled and withdrew the FLD. On January 18, 2019, the CTA denied the BIR's motion for reconsideration. On February 22, 2019, BIR filed its petition for review seeking CTA's reversal of its decision on September 28, 2018 and its resolution on January 18, 2019. In response, ACEPH filed its Comment/ Opposition. The CTA referred the case for mediation. However, the parties had no agreement to mediate so CTA submitted the case for decision on July 10, 2019. As at May 11, 2020, the decision of CTA is still pending.

Claim for tax refund

On August 15, 2016, PHINMA Renewable filed with the BIR a letter and application for tax credits or refund for the PHINMA Renewable's excess and unutilized input VAT for the period July 1, 2014 to June 30, 2015 amounting to ₱335.76 million attributable to PHINMA Renewable's zero-rated sales. On December 19, 2016, PHINMA Renewable received a letter from the BIR denying the administrative claim for refund of excess and unutilized input VAT for the period July 1, 2014 to December 31, 2014. On January 11, 2017, PHINMA Renewable filed with the CTA a Petition for Review. During 2018, PHINMA Renewable and the BIR presented their evidence and arguments. On January 9, 2020, PHINMA Renewable received a copy of the Decision of the CTA.

In its Decision, the CTA partially granted PHINMA Renewable 's Petition for Review and ordered the BIR to refund or issue a tax credit certificate in favor of PHINMA Renewable in the reduced amount of ₱16.15 million since the CTA ruled that PHINMA Renewable was able to prove compliance with the essential elements for the grant of VAT zero-rating under Section 15(g), Renewable Energy Act of 2008 beginning June 1, 2015, which are as follows:

1. The seller (PHINMA Renewable) is a Renewable Energy Developer of renewable energy facilities;
2. It sells fuel or power generated from renewable sources of energy, such as wind;
3. The said seller is a "generation company," i.e., a person or entity authorized by the Energy Regulatory Commission (ERC) to operate facilities used in the generation of electricity; and
4. Such authority is embodied in a Certificate of Compliance (COC) issued by the ERC which must be secured before the actual commercial operations of the generation facility.

However, the CTA held that PHINMA Renewable was not able to prove compliance with the 3rd and 4th essential elements to qualify for VAT zero-rating prior to June 1, 2015 because the CTA considered the condition fulfilled only upon the issuance of the COC by the ERC in favor of PHINMA Renewable on June 1, 2015. Hence, PHINMA Renewable's generated sales from its power generation activities which were considered by the CTA to be subject to zero percent (0%) VAT were only those made during the period June 1, 2015 to June 30, 2015. In view of the foregoing Decision, PHINMA Renewable has fifteen (15) days from receipt of the Decision, or until January 24, 2020, to file a Motion for Reconsideration (MR) of the Decision.

On January 24, 2020, PHINMA Renewable filed its motion for reconsideration where it presented that the sale of power through renewable sources of energy by VAT-registered persons shall be subject to 0% VAT per Tax Code and Renewable Energy Act of 2008 and that the COC issued by the ERC merely confirms the status of PHINMA Renewable as a Generation Company. As at May 11, 2020, the case is still pending.

34. **Events After the Reporting Period**

Approval of Assets-for-Shares Swap
On March 18, 2020, the Board of Directors of the Parent Company approved the consolidation of ACEI's international business and assets into the Parent Company via a tax free exchange, whereby ACEI will transfer its shares of stock in Presage Corporation (ACEI's subsidiary holding company that owns ACEI's international business and investments) to the Parent Company in exchange for the issuance to ACEI of additional primary shares in the Parent Company (assets-for-shares swap).
On April 1, 2020, the Parent Company's Executive Committee approved the issuance of 16,685,800,533 additional primary shares of ACEPH to ACEI at an issue price of ₱2.97 per share in exchange for property consisting of 100% of ACEI's shares in Presage.

Credit Facility with ACEI
On April 20, 2020, the Board of Directors approved the execution by the Parent Company of a credit facility with ACEI for up to ₱5.0 billion for the Parent Company's various development projects.

Share Buy-Back Transaction of ACEPH Shares
On March 18, 2020, the Board of Directors of the Parent Company approved a share buy-back program to support its share prices through the repurchase in the open market of up to ₱1.0 billion worth of common shares beginning March 24, 2020. As of May 11, 2020, cumulative number of shares repurchased is at 13.6 million for an aggregate repurchase price of ₱26.7 million.

Amendments to the Articles of Incorporation and By-laws of the Parent Company
During the regular board meeting held on March 18, 2020, the Board of Directors of the Parent Company approved the change in the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation".

During the Annual Stockholders' Meeting held on April 20, 2020, the stockholders approved the following corporate actions:

1. Amendment to the Articles of Incorporation
    a. to change in the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation"; and
    b. to increase in the authorized capital stock from ₱24.4 billion divided into 24.4 billion shares, to ₱48.4 billion divided into 48.4 billion shares

2. Amendment to the By-laws to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation"..

Impact of the Coronavirus Disease 2019 (COVID-19) Outbreak
In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum imposing stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020 which was later on extended until April 30, 2020 upon the recommendation of the Inter-Agency Task Force on Emerging Infectious Diseases. On April 24, 2020, the ECQ was further extended until May 15, 2020 but only for Metro Manila, Calabarzon and Central Luzon (except Aurora) as well as other areas in Luzon that are considered as high risk for COVID-19. Low-risk to moderate-risk areas were placed under general community quarantine (or less strict quarantine) starting May 1, 2020. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Group has taken measures to manage the risks and uncertainties brought about by the outbreak and will continue to closely monitor the situation to assess its impact on the 2020 financial position and performance of the Group.

ANNEX B

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial position and results of operations of AC Energy Philippines Inc. or ACEPH *(formerly PHINMA Energy Corporation)* and its subsidiaries should be read in conjunction with the unaudited interim consolidated financial statements as at March 31, 2020, for the three months ended March 31, 2020 and 2019 and the audited consolidated financial statements as at December 31, 2019. The unaudited interim consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards.

The Company posted consolidated net income amounting to **₱311.56 million** for the first quarter of 2020 compared to **₱146.23 million** net loss in the same period last year.

The tables below summarize the consolidated results of operations of ACEPH's revenues, costs and expenses for the first quarter ended March 31, 2020 and 2019.

Revenues

	Jan-March			
In thousands	**2020**	**2019**	**Inc (Dec)**	**%**
Revenue from sale of electricity	₱4,205,539	₱3,384,595	820,944	24%
Dividend income	–	2,111	(2,111)	(100%)
Rental income	–	231	(231)	(100%)

- The increase in **revenue from sale of electricity** was due to the higher energy sales from the Parent Company's power supply business as a result of the new contract with Meralco and additional revenue from a customer's pre-termination fees.
- No **dividend income** nor **rental income** was received for the first quarter of 2020.

Costs and Expenses

	Jan-March			
In thousands	**2020**	**2019**	**Inc (Dec)**	**%**
Cost of sale of electricity	₱3,365,730	₱3,359,333	6,397	0%
General and administrative expenses	306,140	136,482	169,658	124%

- Despite the increase in energy sales, **cost of sale of electricity** showed flat growth from last year with lower cost of WESM purchases.
- **General and administrative expenses** increased due to integration-related expenses and management fees paid to AC Energy, Inc.

Other Income and Expenses

In thousands	Jan-March 2020	2019	Inc (Dec)	%
Interest and other finance charges	(₱349,473)	(₱114,723)	234,750	205%
Equity in net income of associates and joint ventures (JV)	29,099	76,956	(47,857)	(62%)
Other Income	173,993	31,880	142,113	446%

- **Interest and other finance charges** went up due to availment of long-term loan in November 2019 and short-term loan in the first quarter of 2020.
- Lower **equity in net income of associates and JV** was posted in the first quarter of 2020 compared to the same period last year due to conversion of SLTEC from JV to subsidiary in the second half of 2019, offset by the equity in net income of North Luzon Renewable where ACEPH invested in February 2020.
- Other income included fees for services rendered during the quarter.

Provision for income tax

In thousands	Jan-March 2020	2019	Inc (Dec)	%
Current	₱61,625	₱7,735	53,890	697%
Deferred income tax	14,099	23,727	(9,628)	-41%

- The increase in **provision for income tax - current** was due to higher consolidated taxable income in the first quarter of 2020.
- **Provision for deferred income tax** in the first quarter of 2020 was lower mainly driven by deferred revenues that were fully recognized in 2019.

Material changes in Consolidated Statements of Financial Position accounts

Assets **In thousands**	**March 2020**	**December 2019**	**Inc (Dec)**	**%**
Current Assets				
Cash and cash equivalents	₱5,663,745	₱8,581,663	(2,917,918)	(34%)
Receivables	4,186,989	2,728,419	1,458,570	53%
Fuel & spare parts - at cost	1,009,682	855,275	154,407	18%
Current portion of:				
Input VAT	278,889	148,318	130,571	88%
Creditable withholding tax	82,266	123,700	(41,434)	-33%
Other current assets	612,385	139,915	472,470	338%
Assets held for sales	–	3,546	(3,546)	(100%)
Noncurrent Assets				
Plant, property and equipment	₱30,122,610	₱21,564,260	8,558,350	40%
Right of use asset	592,395	524,936	67,459	13%
Investments and advances	3,325,564	723,165	2,602,399	360%
Other noncurrent assets	4,407,601	2,124,748	2,282,853	107%

- Decrease in **cash and cash equivalents** was largely due to ₱2.2B advances made by the Parent Company to development projects.
- Increase in **receivables** mainly attributed to deferred collection of outstanding accounts with the implementation of Enhanced Community Quarantine (ECQ) starting March 17, 2020 as government's response to COVID19 pandemic.
- **Fuel & spare parts** went up due to increase in purchases of SLTEC.
- Increase in **current portion of input VAT** is mainly due to the consolidation of Islasol and Sacasol following their acquisition in March 2020.
- The Company has tax payments in the first quarter of 2020 which resulted in the decrease in **current creditable withholding taxes.**
- **Other current assets** increased primarily due to SLTEC's prepayments of insurance and taxes as well as consolidation of Islasol and Sacasol.
- **Plant, property and equipment** rose with the consolidation of Islasol's and Sacasol's fixed assets.
- **Right of use asset** increase with the consolidation of Islasol's and Sacasol's fixed assets
- **Investments and advances** increased due to investment in PhilWind.
- **Other noncurrent assets** increased primarily due to ₱2.2B long-term advances to development projects.

Liabilities and Equity **In thousands**	**March 2020**	**December 2019**	**Inc(Dec)**	**%**
Current Liabilities				
Accounts payable and other current liabilities	₱5,280,571	₱3,787,713	1,492,858	39%
Short-term loans	5,854,400	–	5,854,400	100%
Income and withholding taxes payable	56,303	41,208	15,095	37%
Current portion of long-term loans	2,734,045	593,847	2,140,198	360%
Equity				
Other equity reserve	₱451,571	(₱2,342,103)	2,793,674	-119%
Retained earnings	3,230,328	2,922,514	307,814	11%
Treasury shares	(35,013)	(27,704)	7,309	26%

- **Accounts payable and other current liabilities** increased with the consolidation of Islasol and Sacasol books as well as the deferral of payment of purchases with the implementation of ECQ.
- Increase in **income and withholding taxes payable** was mainly due to higher tax withheld from purchases in the first quarter of 2020.
- **Current portion of long-term loans** went up mainly from short term loans from affiliate AC Renewables International PTE Ltd and HSBC.
- **Other equity reserve** decreased with the take up of provisional adjustments pending finalization of purchase price allocation for the acquisition of Islasol and Sacasol.
- **Retained earnings** increased as a result of the net income earned during the first quarter of 2020.
- **Treasury shares** increased due to redemption of shares in the first quarter of 2020.

Key Performance Indicators

The key performance indicators of AC Energy Philippines, Inc. and its majority owned subsidiaries, as consolidated, are the following:

Key Performance Indicator	Formula	Mar 2020	Dec 2019	Increase (Decrease)	
				Amount	%
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**0.85**	**2.84**	(1.99)	(70)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**0.70**	**2.55**	(1.85)	(73)
Solvency Ratios					
Debt-to-equity ratio	Total liabilities / Total equity	**2.73**	**2.58**	0.15	6
Asset-to-equity ratio	Total assets / Total equity	**3.73**	**3.58**	0.15	4
Interest Coverage ratio	Earnings before interest & tax (EBIT) / Interest expense	**2.11**	**0.36**	1.75	486
Net Debt to Equity ratio	Debt - Cash & Cash Equivalents / Total Equity	**2.33**	**1.80**	0.53	29

Key Performance Indicator	Formula	Mar 2020	Mar 2019	Increase (Decrease)	
				Amount	%
Profitability Ratios					
Return on equity	Net income after tax / Average stockholders' equity	**2.48%**	**-1.76%**	4.24	241
Return on assets	Net income after taxes / Average total assets	**0.68%**	**-0.79%**	1.47	186
Asset Turnover	Revenues / Average total assets	**9.12%**	**18.24%**	(9.12)	(50)

Current ratio & Acid test ratio

Current ratio & acid test ratio dropped due to the increase in current liabilities primarily driven by higher short-term loans, deferral of settlement of payables as well as consolidation of Islasol and Sacasol.

Debt to equity ratio and Asset to equity ratio

Notwithstanding the significant increase in both liabilities and assets, debt to equity ratio and asset to equity ratio showed minimal increase with growth in equity resulting from higher net income as well increase in equity reserves.

Interest coverage ratio

The increase in interest coverage ratio was brought about by higher net income before interest and tax in the first quarter of 2020 compared to same period last year.

Net debt to equity ratio

Net debt equity ratio increased due to additional loans during the first quarter of 2020.

Return on equity and assets

Return on equity and assets went up this year as the Company registered net income in the first quarter compared to net loss reported in the same period last year.

Asset turnover

Asset turnover decreased primarily due to significant increase in assets resulting from acquisitions of Islasol and Sacasol as well as consolidation of SLTEC's assets.

Material events and uncertainties

- There were no events that triggered direct or contingent financial obligation that was material to the Company. There were no contingent assets or contingent liabilities since the last annual balance sheet date.

- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

- There were no material events that had occurred subsequent to the balance sheet date except for the event after the reporting period disclosed in Note 33 of the Interim Condensed Consolidated Financial Statements.

- ACEPH has material commitments to invest in capital expenditure projects mainly in Balaui Wind Project and Renewable Energy Lab Project. Refer to Annex A or Notes to the Financial Statements for the details.

- Any known trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations
  - The results of operations of the Company and its subsidiaries depend, to a significant extent, on the performance of the Philippine economy.
  - The current highly competitive environment and operation of priority-dispatch variable renewable energy have driven market prices of electricity downward, resulting in lower margins.
  - Movements in the WESM prices could have a significant favorable or unfavorable impact on the Company's financial results.

- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way – Material to the Company's liquidity and profitability is the negotiations to reduce supply costs. The Company is also pursuing customer contracts at higher prices from both the retail and wholesale markets. The Company has identified low-earning assets and have offered these in the market. The Company is also looking at cost optimization and reduction in operating expenses at the plant level as well as head office.

- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or results of operations. There were no operations subject to seasonality and cyclicality except for the operation of wind farms. The wind regime is high during the northeast monsoon ("amihan") season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon ("habagat").

ANNEX C

Reports on SEC Form 17-C
The Company submitted SEC form 17-C and Press Statements to PSE, SEC on the following matters in the first quarter ended 31 March 2020:

1. **06 Jan 2020:** Attendance of the Members of the Board of Directors in Meetings Held in 2019;

2. **08 Jan 2020:** Secondment of Mr. Sebastian Arsenio R. Lacson to the Company as Co-Head of Plant Operations;

3. **08 Jan 2020:** Initial Statement of Beneficial Ownership of Securities of Mr. Sebastian Arsenio R. Lacson as Co-Head of Plant Operations of the Company on 2 January 2020;

4. **10 Jan 2020:** List of Top 100 Stockholders as provided by the Stock Transfer Agent and PDTC for the Period ended December 31, 2019;

5. **14 Jan 2020:** Signing of a subscription agreement with SolarAce1 Energy Corp, ("SolarAce1") for the subscription by the Company of 6,000,000 Class A common shares and 180,000,000 Class A Redeemable Preferred Shares ("RPS") of SolarAce1. Investment into the project was previously disclosed by ACEPH on 10 October 2019 in Disclosure No. C07067-2019;

6. **15 Jan 2020:** Public Ownership Report for the Quarter ended December 31, 2019;

7. **04 Feb 2020:** Change in the Company's website from from www.phinmaenergy.com.ph to www.acenergy.ph;

8. **05 Feb 2020:** Receipt on February 4, 2020, of a copy of the Philippine Competition Commission's Decision No. 04-M-030/2020 dated January 28, 2020 finding that the transaction "will not likely result in substantial lessening of competition" and resolving "to take no further action with respect to the Transaction..." and clarification that the Company will be purchasing the entire shares of PINAI in PhilWind and that following this transaction, the Company will directly and indirectly own 67% of North Luzon Renewables;

9. **11 Feb 2020:** Acquisition of 870,000 ACEPH shares by Irene Maranan, Head of Corporate Communications and Sustainability;

10. **19 Feb 2020:** Receipt of a copy of the Philippine Competition Commission's Decision No. 05-M-004/2020 dated 13 February 2020 finding that the acquisition of the PINAI Investors' ownership interest in San Carlos Solar Energy, Inc. ("SACASOL") "will not likely result in substantial lessening of competition" and resolving "to take no further action with respect to the Transaction..."

11. **21 Feb 2020:** Notice of Annual or Special Stockholders' Meeting of AC Energy Philippines, Inc. on Monday, 20 April 2020, at 9:00 in the morning at the Fairmont Hotel, 1 Raffles Drive, Makati Avenue, 1224 Makati City;

12. **27 Feb 2020:** Signing of a subscription agreement with Giga Ace 1, Inc. ("Giga Ace 1") for the subscription by ACEPH of 75,000 Common Shares to be issued out of the unissued authorized capital stock ("ACS") of Giga Ace 1, and 43,069,625 Common Shares and 53,562,609 Class A Redeemable Preferred Shares ("RPS A") to be issued out of increase in ACS of Giga Ace 1;

13. **28 Feb 2020:** Completion on February 27, 2020 of the acquisition of PINAI's shares in Philippine Wind Holdings Corporation ("PhilWind"), which directly and indirectly owns ~67% of North Luzon Renewables Corporation ("North Luzon Renewables") and the final purchase price in the amount of Php2.573 billion was paid by Giga Ace 1, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase and hold the PhilWind shares;

14. **28 Feb 2020:** Receipt on 28 February 2020 of a copy of the Philippine Competition Commission's ("PCC") Decision No. 07-M-003/2020 dated 26 February 2020 finding that the acquisition of the PINAI Investors' ownership interest in Negros Island Solar Power Inc. ("ISLASOL"). "will not likely result in substantial lessening of competition" and resolving "to take no further action with respect to the proposed Transaction..."

15. **04 March 2020:** Signing of a subscription agreement with Giga Ace 1, Inc. ("Giga Ace 1") for the subscription by ACEPH to additional 1,170,000 Common Shares and 32,500 Class A Redeemable Preferred Shares ("RPS A") to be issued out of the increase in authorized capital stock ("ACS") of Giga Ace 1. Giga Ace 1 is a wholly-owned subsidiary of the Company;

16. **06 March 2020:** The agenda of the Company's Annual Meeting of Stockholders on 20 April 2020;

17. **10 March 2020:** The Executive Committee's approval of fuel hedge instruments of the Company;

18. **16 March 2020:** Acquisition of 1,000,000 ACEPH shares by Solomon Hermosura, Corporate Secretary;.

19. **16 March 2020:** Filing of Current Report Under Section 17 of the Securities Regulations Code Amid COVID-19 Pandemic;

20. **19 March 2020:** Press Release entitled "AC Energy to Consolidate its International and Philippine Platforms"

21. **19 March 2020:** Amendement on 18 March 2020 of the Notice of Annual Stockholders Meeting to reflect the date of the Board of Directors' approval of the date, time, place, and agenda of the Company's ASM and to reflect the amended agenda as approved by the Board of Directors;

22. **19 March 2020:** Matters taken up at the regular board meeting held today, 18 March 2020, via video conferencing:

    1. Ratification of the Executive Committee's approval of the Company's oil and diesel hedging transactions with Macquarie Bank Limited;
    2. Ratification of the Executive Committee's approval of the Company's guarantee arrangement with AC Energy, Inc. ("ACEI") for the Company's oil and fuel hedging transactions;
    3. Ratification of the actions of the Audit Committee, Board Risk Management and Related Party Transactions Committee, Corporate Governance and Nomination Committee and Personnel and Compensation Committee;
    4. Approval of renewal and additional credit lines with local banks of up to Php25 billion and foreign banks of up to US$ 240 million, and co-use of these facilities with the Company's subsidiaries;
    5. Approval of the Company's hedging policy, additional hedging counterparties, and guarantee fee arrangement with ACEI.
    6. Approval of amendments to the charters of the following Board Committees to align with regulatory requirements and Ayala Group policies:
       a. Board Risk and Related Party Transactions Committee
       b. Corporate Governance and Nomination Committee; and
       c. Personnel and Compensation Committee
    7. Approval of the change of the corporate name to "AC Energy Corporation";
    8. Approval of the increase of the Company' authorized capital stock to Php48.4 billion pesos, divided into 48.4 billion common shares;
    9. Approval of the date, time, place and agenda of the Company's Annual Stockholders' Meeting to be held on 20 April 2020 at 9:00 A.M. at the Ballroom 2, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City;
    10. Approval of the consolidation of ACEI's international business and assets into the Company via a tax free exchange, whereby ACEI will transfer its shares of stock in Presage Corporation (ACEI's subsidiary holding Company that owns ACEI's international business

and investments) to the Company in exchange for the issuance to ACEI of additional primary shares in the Company (assets-for-shares swap);

11. Approval of execution of credit facilities with the Presage Group for up to US$400 Million, or its Peso equivalent to fund the Company's various greenfield projects and acquisitions;
12. In-principle approval of the investment in the 160 Mw Balaoi wind project, to be located in Barangay's Balaoi and Caunayan, Municipality of Pagudpud, Ilocos Norte, with authority delegated to the Executive Committee to make final investment decisions and the terms thereof;
13. Approval of funding of and investment into a Renewable Energy Laboratory project;
14. In-principle approval of funding of up to US$ 100 Million for new technology investments in the Philippines, with authority delegated to the Executive Committee to make final investment decisions and the terms thereof;
15. In-principle approval of Audited Financial Statements for the year ending December 31, 2019, with authority delegated to the Audit Committee to finalize the same together with the notes to the financial statements;
16. Approval of payment of employee and employer shares under the Company's old retirement plan to covered employees as part of their transition to the new Company retirement plan;
17. Approval of a share buy-back program to support share prices through the repurchase in the open market of up to Php1 billion worth of common shares beginning 24 March 2020, to be implemented by the President & CEO and Chief Financial Officer of the Company; and
18. Approval of the Company's Environmental and Social Policy.

23. **19 March 2020:** Amendment to the By-laws of the Company to change the name;

24. **19 March 2020:** Approval of amendments to the Articles of Incorporation of the Company.at the regular board meeting held on 18 March 2020:
    a. Approval of the change of the corporate name to "AC Energy Corporation";
    b. Approval of the increase of the Company' authorized capital stock to Php48.4 billion pesos, divided into 48.4 billion common shares;

25. **24 March 2020:** Closing on 23 March 2020 of the acquisition of the PINAI Investors' ownership interest in Negros Island Solar Power Inc. ("ISLASOL").and payment purchase price in the amount of Php1.629 billion by Giga Ace 3, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase the PINAI Investors' shares in ISLASOL;

26. **24 March 2020:** Closing on 23 March 2020, Closing of the acquisition of the PINAI Investors' ownership interest in San Carlos Solar Energy, Inc. ("SACASOL").and payment of the purchase price in the amount of Php2.981 billion by Giga Ace 2, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase the PINAI Investors' shares in SACASOL.

27. **25 March 2020:** The Executive Committee approval on 24 March 2020 to conduct the Company's annual stockholders' meeting (the "2020 ASM") scheduled on 20 April 2020 at 9:00 AM via remote communication in lieu of an in-person meeting, and to allow the participation of stockholders and other stakeholders in the 2020 ASM by accessing the link https://asm.ayala.com/ACEPH2020;

28. **26 March 2020:** Share Buy-Back of 1,500,000 ACEPH Shares

29. **27 March 2020:** Amendment on 26 March 2020 of the Notice of Annual Stockholders Meeting to provide the details for the conduct of the Company's Annual Stockholders' Meeting via remote communication.

30. **27 March 2020:** Acquisition of 200,000 ACEPH shares by Sherisa Nuesa, Independent Director;

31. **27 March 2020:** Acquisition of 400,000 ACEPH shares by Sherisa Nuesa, Independent Director;

32. **27 March 2020:** Filing of the Company's Definitive Information Statement;

33. **27 March 2020:** Share Buy-Back of 1,000,000 ACEPH Shares

34. **30 March 2020:** Share Buy-Back of 1,500,000 ACEPH Shares

35. **31 March 2020:** Share Buy-Back of 781,000 ACEPH Shares