

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
Oct 12, 2021
2. SEC Identification Number
39274
3. BIR Tax Identification No.
000-506-020-000
4. Exact name of issuer as specified in its charter
AC Energy Corporation
5. Province, country or other jurisdiction of incorporation
Makati City, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
4th Floor, 6750 Office Tower, Ayala Avenue, Makati City
Postal Code
1226
8. Issuer's telephone number, including area code
(02) 7730 6300
9. Former name or former address, if changed since last report
AC Energy Philippines, Inc.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	15,960,037,644
Amount of Debt Outstanding 3Q 2020 (in billions)	31.17

11. Indicate the item numbers reported herein
N/A

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

AC Energy Corporation

ACEN

PSE Disclosure Form 4-22 - Joint Ventures
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Shareholders' Agreement among AC Energy Philippines, Inc. (now AC Energy Corporation), ACE Endeavor, Inc., and Axia Power Holdings Philippines Corp.

Background/Description of the Disclosure

On 23 July 2020, the Company, a subsidiary of AC Energy, Inc. ("ACEI"; now AC Energy and Infrastructure Corporation), and ACE Endeavor, Inc. ("Endeavor"), the Company's wholly-owned subsidiary, signed a Shareholders' Agreement (the "2020 Agreement") with Axia Power Holdings Philippines Corp. ("Axia"), a subsidiary of Marubeni Corporation, for the development, construction and operation of the 150 megawatt (MW) diesel power plant project in Pililla, Rizal (the "Ingrid Project"), which is expected to be operational in the first quarter of 2021.

Under the Agreement, Axia will acquire 50% of the shares and 50% of the economic rights in the Company's subsidiary Ingrid Power Holdings, Inc. ("Ingrid"), the special purpose vehicle of the Ingrid Project, while the Company will hold 50% shares and 45% of the economic rights, with Endeavor having a 5% share of the economic rights in Ingrid.

Ingrid and Endeavor were among the ACEI subsidiaries acquired by the Company in exchange for ACEN shares. As of January 2020, the Company has infused Php570 Million into Ingrid to fund the Ingrid Project.

On 1 December 2020, the Company received a copy of the Philippine Competition Commission's ("PCC") Decision No. 20-M-017/2020 dated 24 November 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 proposed Transaction among Axia Power, ACE PH, Endeavor and Ingrid Power" (the "PCC Decision").

On 18 March 2021, Ingrid and Axia executed a Subscription Agreement for the subscription by Axia to 5 Common B Shares, 580,000 Redeemable Preferred F Shares, and 5,219,995 Redeemable Preferred G Shares of Ingrid. On 4 August 2021, the SEC approved Ingrid's amended Articles of Incorporation and issued a Certificate of Approval of the Increase in Authorized Capital Stock from Php40 million, divided into 400,000 shares with a par value of Php100.00 per share, to Php1,969,071 divided into 100,000 common shares with a par value of Php100.00 per share, 5 Class A common shares with a part value of Php100.00 per share, 5 Class B common shares with a par value of Php100.00 per share, 600,000 Class A redeemable preferred shares (RPS) with a par value of Php100.00 per share, 6,330,000 Class B RPS with a par value of Php100.00 per share, 700,000 Class C RPS with a par value of Php0.10 per share, 2,150,000 Class D RPS with a par value of Php100.00 per share, 3,480,000 Class E RPS with a par value of Php100.00 per share, 700,000 Class F RPS with a par value of Php100.00 per share and 6,330,000 Class G RPS with a par value of Php100.00 per share.

On 10 August 2021, the Company received the SEC's approval of Ingrid's amended Articles of Incorporation, and the Certificate of Approval of Increase in Authorized Capital Stock, both dated 4 August 2021.

On 12 October 2021, Ingrid and Axia executed a Subscription Agreement for the subscription by Axia to an additional 112,000 Redeemable Preferred F Shares with a par value of Php100.00 per share and 1,034,000 Redeemable Preferred G Shares with a par value of Php100.00 per share to be issued out of the unissued authorized capital stock of the Company, to maintain the 50% interest in the shares and in the economic rights as provided in the 2020 Agreement.

This disclosure is amended today, 12 October 2021, to reflect the execution of the second Subscription Agreement between Ingrid and Axia pursuant to their 2020 Agreement.

Date of Approval by Board of Directors	Oct 9, 2019
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Date of Approval by Stockholders, if applicable	N/A
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Description and nature of the transaction including the timetable for implementation, and related regulatory requirements

The 2020 Agreement provides for the terms by which the Parties shall develop the Ingrid Project and the terms and conditions governing the ownership, management and operation of the project company. The Ingrid Project is a 150MW high-speed, diesel-fueled power plant project located in Brgy. Malaya, Pililla, Rizal which is intended, among others, to provide ancillary services to the National Grid Corporation of the Philippines. The plant will supply peaking and reserve power to the Luzon grid.

Completion of the transaction is subject to approval by the Philippine Competition Commission, which approval was issued on 1 December 2020.

Issuance of the shares is subject to the necessary regulatory approvals for the increase of Ingrid's authorized capital stock and creation of new shares, which the SEC issued on 4 August 2021.

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

This joint venture supports the Company's strategic objective to be the growth platform of the AC Energy Group in the country. The Company will have the opportunity to develop a greenfield project which will provide peaking and reserve power in partnership with Axia, which has extensive experience in the local and international power sector.

Terms and conditions of the joint venture**Amount of investment and/or interest by the parties involved**

Ingrid will have a total subscribed capital of Php1.97 billion. Axia will own 50% of the shares and 50% of the economic rights in Ingrid, while the Company will hold 50% shares and 45% of the economic rights, with Endeavor having the remaining 5% economic rights.

Provisions on profit-sharing, arrangements on management and operations

Under the 2020 Agreement, Axia will acquire 50% of the voting shares and 50% of the economic rights in Ingrid, while the Company will hold 50% voting shares and 45% of the economic rights, with Endeavor having a 5% share of the economic rights in Ingrid.

The Board shall consist of five (5) members, majority of whom shall be residents of the Philippines. As long as Axia and ACEN each hold fifty percent (50%) interest in the Corporation, each will have the right to nominate two (2) directors with the fifth (5th) director to be nominated jointly.

Development and construction costs shall be shared equally by the Parties.

Conditions precedent to closing of transaction, if any

Approval of the Philippine Competition Commission, which approval was issued on 1 December 2020.

Other salient features of the joint venture agreement

None

Identity and/or corporate background of the parties to the transaction, including the following

Name	Nature of Business	Nature of any material relationship with the Issuer and the parties to the joint venture, their directors/officers or any of their affiliates
Axia Power Holdings Philippines Corporation	Power Generation	None
ACE Endeavor, Inc.	Generation, Collection and Distribution of Electricity	Wholly-owned subsidiary of the Company

Effect(s) on the business, financial condition and operations of the Issuer, if any

The Company will have 50% voting rights and 45% of the economic rights in Ingrid. The Company will have the opportunity to earn stable dividend income from the operations of the Ingrid Project.

Other Relevant Information

This project was originally approved in 2019 and was previously disclosed on 10 October 2019 in Disclosure No. C07067-2019.

Filed on behalf by:

Name	Alan Ascalon
Designation	Vice President/ Asst. Corporate Secretary