COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

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Form Type

A	A	C	F	S

Department Requiring the Report

C	R	M	D

Secondary License Type, If Applicable

N	/	A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contact@pureenergy.com.ph	**(02) 8813-8892**	**0917-830-1613**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8	**June 30**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Rolando T. Domingo	**rolando.domingo@pureenergy.com.ph**	**(02) 8813-8892**	**0917-830-1613**

CONTACT PERSON'S ADDRESS

3rd Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City

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

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

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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Makati City 1226 Philippines
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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
NexGen Energy Corp. (formerly Just Solar Corp.) and Subsidiaries
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

Opinion

We have audited the consolidated financial statements of NexGen Energy Corp. (formerly Just Solar Corp.) (the Parent Company) and Subsidiaries (the Group) (a wholly-owned subsidiary of Pure Energy Holdings Corporation), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Parent Company prepared this set of consolidated financial statements in compliance with the Revised Securities Regulation Code (SRC) Rule 68 in relation to the Parent Company's planned application for listing its common shares in the Philippine Stock Exchange, as discussed in Note 2 to the consolidated financial statements.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audits. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10072419
Issued January 2, 2024, Makati City

April 8, 2024
Makati City, Metro Manila

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARIES**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2023**	2022
ASSETS			
Current Assets			
Cash	5	**₱4,588,119**	₱7,509,742
Trade and other receivables	6	**19,704,911**	19,995,705
Due from related parties	16	**178,145,134**	122,949,968
Other current assets	7	**12,055,315**	19,041,869
Total Current Assets		**214,493,479**	169,497,284
Noncurrent Assets			
Feed-in-tariff (FIT) rate differential receivables - net of current portion	6	**24,415,042**	22,942,809
Property, plant, and equipment	8	**742,117,487**	802,297,163
Right-of-use assets	18	**36,731,232**	39,750,237
Goodwill	4	**51,262,928**	51,262,928
Advances for acquisition of investment	4	**14,000,000**	14,000,000
Deferred tax assets	17	**7,032,455**	–
Other noncurrent assets	7	**48,406,553**	48,403,553
Total Noncurrent Assets		**923,965,697**	978,656,690
		₱1,138,459,176	₱1,148,153,974
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	**₱65,663,117**	₱65,237,341
Current portion of loan payable	10	**25,974,091**	25,974,091
Current portion of lease liabilities	18	**2,437,152**	2,302,688
Income tax payable		**1,466,245**	–
Due to related parties	16	**601,568,008**	853,825,726
Total Current Liabilities		**697,108,613**	947,339,846
Noncurrent Liabilities			
Loan payable - net of current portion	10	**96,882,498**	122,512,196
Lease liabilities - net of current portion	18	**38,644,967**	41,082,120
Retirement liability	11	**858,201**	–
Deferred tax liability	17	**25,958,605**	27,541,447
Total Noncurrent Liabilities		**162,344,271**	191,135,763
Total Liabilities		**859,452,884**	1,138,475,609

(Forward)

		December 31	
	Note	**2023**	2022
Equity			
Capital stock	12	**₱87,500,000**	₱12,500,000
Additional paid-in capital	12	**173,159,916**	–
Deficit		**(68,094,855)**	(84,420,888)
Other comprehensive loss		**(176,225)**	–
		192,388,836	(71,920,888)
Non-controlling interest		**86,617,456**	81,599,253
Total Equity		**279,006,292**	9,678,365
		₱1,138,459,176	₱1,148,153,974

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARIES**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2023**	2022	2021
SALE OF ELECTRICITY	18	**₱130,183,766**	₱152,998,360	₱125,715,556
COST OF SALE OF ELECTRICITY	13	**90,388,452**	97,056,195	104,312,014
GROSS INCOME		**39,795,314**	55,942,165	21,403,542
OPERATING EXPENSES	14	**(10,500,519)**	(10,696,476)	(4,009,406)
INTEREST EXPENSE	10	**(11,753,494)**	(13,929,569)	(13,225,634)
OTHER CHARGES - Net	15	**(2,586,320)**	(55,694,302)	(36,303,331)
INCOME (LOSS) BEFORE INCOME TAX		**14,954,981**	(24,378,182)	(32,134,829)
INCOME TAX EXPENSE (BENEFIT)	17			
Current		**2,150,525**	–	–
Deferred		**(8,590,123)**	(1,582,842)	(8,514,551)
		(6,439,598)	(1,582,842)	(8,514,551)
NET INCOME (LOSS)		**21,394,579**	(22,795,340)	(23,620,278)
OTHER COMPREHENSIVE LOSS				
Not to be reclassified to profit or loss in subsequent periods				
Remeasurement loss on retirement liability - net of deferred tax	11	**(226,568)**	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱21,168,011**	(₱22,795,340)	(₱23,620,278)
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱16,326,033**	(₱17,764,379)	(₱18,398,653)
Non-controlling interest		**5,068,546**	(5,030,961)	(5,221,625)
		₱21,394,579	(₱22,795,340)	(₱23,620,278)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱16,149,808**	(₱17,764,379)	(₱18,398,653)
Non-controlling interest		**5,018,203**	(5,030,961)	(5,221,625)
		₱21,168,011	(₱22,795,340)	(₱23,620,278)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	21	**₱0.06**	(₱0.14)	(₱0.15)

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARIES**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2023**	2022	2021
CAPITAL STOCK	12			
Balance at beginning of year		**₱12,500,000**	₱12,500,000	₱12,500,000
Issuance of shares		**75,000,000**	–	–
Balance at end of year		**87,500,000**	12,500,000	12,500,000
ADDITIONAL PAID IN CAPITAL	12			
Additions and balance at end of year		**173,159,916**	–	–
DEFICIT				
Balance at beginning of year		**(84,420,888)**	(66,656,509)	(48,257,856)
Net income attributable to equity holders of the Parent Company		**16,326,033**	(17,764,379)	(18,398,653)
Balance at end of year		**(68,094,855)**	(84,420,888)	(66,656,509)
OTHER COMPREHENSIVE LOSS				
Remeasurement loss and balance at end of year		**(176,225)**	–	–
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**192,388,836**	(71,920,888)	(54,156,509)
NON-CONTROLLING INTEREST				
Balance at beginning of year		**81,599,253**	86,630,214	91,851,839
Net Income (loss) attributable to non-controlling interest		**5,068,546**	(5,030,961)	(5,221,625)
Share in other comprehensive loss		**(50,343)**	–	–
Balance at end of year		**86,617,456**	81,599,253	86,630,214
		₱279,006,292	₱9,678,365	₱32,473,705

See accompanying Notes to Consolidated Financial Statements.

NEXGEN ENERGY CORP. (FORMERLY JUST SOLAR CORP.) **AND SUBSIDIARIES**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2023**	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**₱14,954,981**	(₱24,378,182)	(₱32,134,829)
Adjustments for:				
Depreciation and amortization	8	**63,212,516**	63,500,697	66,740,395
Interest expense	10	**11,753,494**	13,929,569	13,225,634
Provision for impairment of other current assets	7	**7,789,640**	–	–
Unrealized foreign exchange loss (gain)	16	**(4,097,802)**	50,620,990	31,675,372
Interest income	5	**(1,105,518)**	(783,959)	(483,761)
Retirement expense	11	**606,459**	–	–
Write-off of due from related parties	16	**–**	6,488,455	**–**
Provision for impairment of trade receivables	14	**–**	**–**	895,536
Loss from change in fair value of contingent consideration	4	**–**	–	5,111,720
Operating income before working capital changes		**93,113,770**	109,377,570	85,030,067
Decrease (increase) in:				
Other current assets		**(803,086)**	1,898,874	(1,116,917)
Trade and other receivables		**(83,880)**	(6,823,521)	(12,467,576)
Increase (decrease) in trade and other payables		**571,480**	(3,482,668)	8,410,885
Net cash generated from operations		**92,798,284**	100,970,255	79,856,459
Income tax paid		**(684,280)**	–	–
Interest received		**7,959**	81,934	59,844
Net cash provided by operating activities		**92,121,963**	101,052,189	79,916,303
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances made to related parties		**(55,195,166)**	(76,387,115)	–
Additions to property, plant, and equipment	8	**(13,835)**	(48,124)	(101,587,452)
Additions to other noncurrent assets		**(3,000)**	–	(45,567,400)
Collection of advances to related parties		**–**	1,500,000	141,908,950
Refund of other noncurrent assets		**–**	767,447	–
Payment of contingent consideration		**–**	–	(5,111,720)
Net cash used in investing activities		**(55,212,001)**	(74,167,792)	(10,357,622)

(Forward)

	Note	Years Ended December 31		
		2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loan payable	10	**(₱25,974,091)**	(₱25,974,091)	(₱32,467,614)
Interest payable	10	**(9,121,532)**	(10,793,236)	(13,646,922)
Lease liabilities	18	**(4,735,962)**	(4,758,801)	(4,758,804)
Cash used in financing activities		**(39,831,585)**	(41,526,128)	(50,873,340)
NET INCREASE (DECREASE) IN CASH		**(2,921,623)**	(14,641,731)	18,685,341
CASH AT BEGINNING OF YEAR		**7,509,742**	22,151,473	3,466,132
CASH AT END OF YEAR	5	**₱4,588,119**	₱7,509,742	₱22,151,473
NONCASH FINANCIAL INFORMATION				
Issuance of capital stock through conversion of advances from related parties	12	**₱248,159,916**	₱–	₱–

See accompanying Notes to Consolidated Financial Statements.

1. General Information

NexGen Energy Corp. (the Parent Company)

The Parent Company was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 7, 2017. The Parent Company is engaged in the development and generation of renewable energy resources, such as but not limited to biomass, biogas, hydropower, wind, and solar energy.

The Parent Company is a wholly-owned subsidiary of Pure Energy Holdings Corporation (PEHC). PEHC is an investment holding company which engages primarily in renewable energy generation and water system management and distribution. PEHC is a 76%-owned subsidiary of DYT Equities Corporation (the Ultimate Parent Company). All the foregoing entities are incorporated in the Philippines.

On December 13, 2023, the SEC approved the change in the corporate name of the Parent Company from Just Solar Corp. to NexGen Energy Corp.

On February 5, 2024, the Board of Directors (BOD) and stockholders approved the Parent Company's planned application for listing of a portion of its common shares in the Philippine Stock Exchange (PSE).

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group"):

	Percentage of Ownership		
Name of Subsidiaries	**2023**	2022	2021
Solar Powered Agri-rural Communities Corporation (SPARC)	**77.78%**	77.78%	77.78%
5hour Peak Energy Corp. (5HPEC)	**100%**	–	–
Airstream Renewables Corp. (ARC)	**100%**	–	–

SPARC is incorporated in the Philippines and engaged primarily to carry out the business of generating power derived from solar energy and other viable sources of renewable power for lighting and power purposes. SPARC has three (3) solar power plants which are located in Bataan, Bulacan and Zambales.

5HPEC and ARC were incorporated and registered as a renewable energy developer of solar energy and wind resources in the Philippines.

Registered Address

The Parent Company and its Subsidiaries' principal office address is located at 3rd Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City, Philippines.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2024.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (FRSC) and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements were prepared in compliance with the Revised Securities Regulation Code (SRC) 68, in relation to the Group's planned application for listing its common shares in the Philippine Stock Exchange (PSE).

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for lease liabilities which are measured at present value of future minimum lease payments, and retirement liability which is measured at present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 20 to the consolidated financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS in Issue But Not Yet Effective or Adopted

Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024 -

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the entity shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. The Parent Company has control when it is exposed, or has a right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and continue to be consolidated until the date such control ceases. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Changes in the controlling equity ownership that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Business Combinations. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS.

Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Classification of Assets and Liabilities between Current and Noncurrent

The Group presents current and noncurrent assets, and current and noncurrent liabilities, as separate disclosure in the notes to the consolidated financial statements.

Current Assets. The Group classifies an asset as current when:

a. it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
b. it holds the asset primarily for the purpose of trading;
c. it expects to realize the asset within twelve months after the reporting period, or
d. the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Otherwise, the Group will classify all other assets as noncurrent.

Current Liabilities. The Group classifies a liability as current when:

a. it expects to settle the liability in its normal operating cycle;
b. it holds the liability primarily for the purpose of trading;
c. the liability is due to be settled within twelve months after the reporting period, or
d. it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Group will classify all other liabilities as noncurrent.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using trade date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model.

As at December 31, 2023 and 2022, the Group has no financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Included in this category are cash, trade receivables and FIT rate differential receivables, due from related parties, and restricted cash (presented under "Other assets" account).

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

This category includes trade and other payables (excluding statutory payables), lease liabilities, loan payable and due to related parties.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Advances for Acquisition of Investment

Advances for acquisition of investment represent advance payments for acquisition of common and preferred shares to be applied against the agreed total purchase price. This is carried in the consolidated statements of financial position at the amount of cash paid and are recognized to the corresponding asset account after the completion and satisfaction of the terms and conditions of the purchase agreement.

Other Assets

Other assets include value-added tax (VAT), restricted cash (a financial asset), prepayments, advances to suppliers and contractors, and security deposits.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT except where VAT incurred on a purchase of assets or services is not recoverable from the tax authority. The net amount of VAT recoverable from the tax authority is included as part of "Other current assets" account in the consolidated statements of financial position.

Deferred Input VAT. Deferred input VAT represents the VAT amount on unpaid services that is not declared to the tax authority until the corresponding amount of payable is paid.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments are expected to be incurred no more than 12 months after the reporting date and thus are classified as current assets.

Advances to Suppliers and Contractors. Advances to suppliers and contractors are amounts paid in advance for the purchase of materials and supplies. These are carried at the amount of cash paid in the consolidated statements of financial position and are recognized to the corresponding asset account when the materials and supplies for which the advances were made are received. Advances to suppliers and contractors are classified as current or noncurrent based on the nature for which the advances were paid.

Security Deposits. Security deposits represent payments made in relation to the lease agreements entered by the Group. These are carried at cost less any impairment in value and will generally be applied as payment or final payment at the end of the agreement. Security deposits are expected to be incurred more than 12 months after the reporting date and thus classified as noncurrent assets.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation and any impairment losses.

The initial cost of property, plant, and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property, plant, and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant, and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant, and equipment.

The cost of replacing a component of an item of property, plant, and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the property, plant, and equipment as follows:

Asset Type	Number of Years
Solar equipment	20
Solar plant facilities and site equipment	3 to 20
Furniture, fixtures, and office equipment	3 to 5
Transportation equipment	5

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant, and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Fully depreciated property, plant and equipment are retained in the account until they are no longer in use.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Capital Stock and Additional Paid-In Capital
Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are recognized in equity as deduction from proceeds, net of tax. Unpaid subscriptions are recognized as a reduction of subscribed common shares.

Deficit
Deficit represents the cumulative balance of loss.

Other Comprehensive Loss
Other component of equity pertains to expense that is not to be recognized in profit or loss for the year. Other comprehensive loss pertains to remeasurement loss on retirement liability, net of deferred tax.

Basic/Diluted Earnings (Loss) Per Share
The Group presents basic and diluted earnings (loss) per share data for its common shares.

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There were no dilutive common shares as at December 31, 2023, 2022 and 2021.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all its revenue sources.

Variable Consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the performance obligation. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component. The Group receives payments for feed-in-tariff (FIT) rate differential five years after the actual delivery of electricity. The Group assessed that there is a significant financing component for these transactions considering the length of time between the customer's payment and the fulfilment of the performance obligation. As such, the transaction price is discounted using a rate that would be applicable in a separate financing transaction between the Group and the customer at contract inception.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Electricity. Revenue from power generation is recognized based on the actual delivery of power, net of any quantity adjustments.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sale of Electricity. Cost of sale of electricity is recognized as expense as incurred.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the Group has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee **-** The Group recognizes right-of-use (ROU) asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. At commencement date, the Group measures ROU asset at cost. The cost comprises:

i. the amount of the initial measurement of lease liability;

ii. any lease payments made at or before the commencement date less any lease incentives received;

iii. any initial direct costs; and

iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU asset is recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs.

After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liabilities. The ROU asset is amortized over the shorter of the lease terms or the useful lives of the underlying assets which is 20 years. The ROU asset is also subject to impairment.

Lease Liability. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

i. fixed payments, including in-substance fixed payments;

ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. amounts expected to be payable by the lessee under residual value guarantees; and

iv. the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefit Costs. The Group has unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs, and interest expense or income in profit or loss.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement liability is the aggregate of the present value of the retirement liability on which the obligations are to be settled directly. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from unused net operating loss carryover (NOLCO) to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Foreign Currency-Denominated Transactions and Translation
Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction.

Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. All differences are recognized in profit or loss.

Related Parties and Related Party Transactions
Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Segment Reporting
The Group's operating segments are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services to different markets. Financial information on operating segments is presented in Note 22 to the consolidated financial statements. The Chief Executive Officer (CEO), the chief operating decision maker, reviews management reports on a regular basis. The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

For purposes of management reporting, the Group's operating segment is related to its renewable energy generation operations.

Provisions
Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated statements of financial position when an inflow of economic benefits is probable.

Events After the Reporting Period

Any events after the reporting period that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Judgments

In the process of applying the Group's accounting policies, management has made certain judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Estimating Variable Considerations. The Group estimates the amount of consideration for its sale of electricity. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty is subsequently resolved.

In estimating the variable consideration, the Group uses the expected value method which is calculated as the sum of probability-weighted amounts in a range of possible consideration amounts.

The estimated variable consideration is updated at the end of each reporting period to faithfully represent the circumstances present at the end of the reporting period. Any changes in transaction price arising from resolution of uncertain events or other changes in circumstances are recognized as revenue or as a reduction to revenue, in the period in which the transaction price changes.

In 2023, 2022 and 2021, the Group recognized FIT rate differential based on the approved FIT rate increment which will be recovered for a period of five (5) years from actual delivery of electricity.

The carrying amounts of FIT rate differential receivables as at December 31, 2023 and 2022 and amounts of revenues in 2023, 2022 and 2021 are disclosed in Notes 6 and 18 to consolidated financial statements.

Determining the Lease Commitments - Group as a Lessee. The Group has entered into lease agreements for its plant sites and staff houses.

The Group recognized ROU assets and lease liabilities on its lease agreements for plant sites. The Group assessed the appropriate lease term and discount rates which are significant components in the measurement of ROU assets and lease liabilities.

The carrying amounts of ROU assets and lease liabilities are disclosed in Note 18 to consolidated financial statements.

The Group also has leases with lease terms of 12 months or less. The Group has determined that the recognition exemption for short-term leases and lease of low-value assets applies.

Rent expense on the lease qualifying under the short-term recognition exemption are disclosed in Note 18 to consolidated financial statements.

Defining the Financial Assets that are in Default and Credit-Impaired. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 days past due on its contractual payments, which is consistent with the Group's definition of default.
b. Qualitative Criteria - The borrower is unlikely to pay, or there are indicators that the borrower is in significant financial difficulty. These are instances where:
    - The borrower is insolvent;
    - The borrower is in breach of financial covenants;
    - It is probable that the borrower will enter bankruptcy or other financial reorganization.

The definitions above have been applied to all financial instruments held by the Group consistently for internal credit risk management purposes. The default definition has been applied consistently, as well, to the determination of ECL.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU has been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2023 and 2022, calculated based on value in use is greater than the corresponding carrying value (including goodwill) of the CGU. The carrying amount of goodwill is disclosed in Note 4 to consolidated financial statements.

Estimating the ECL on Trade Receivables and FIT Rate Differential Receivables. The Group's trade receivables and FIT rate differential receivables are subject to the ECL model.

The Group applies the general approach in measuring ECL for trade receivables and FIT rate differential receivables since its customers can be graded as low risk. At the end of the reporting year, a loss allowance is recognized at an amount equal to 12-month ECL since there has not been a significant increase in credit risk since initial recognition.

The carrying amounts of trade receivables and FIT rate differential receivables are disclosed in Note 6 to the consolidated financial statements.

Assessing the Impairment of Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime expected credit loss.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months expected credit losses. The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2023 and 2022.

The carrying amounts of other financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 5, 7 and 16 to consolidated financial statements.

Estimating the Useful Lives of Property, Plant, and Equipment and ROU assets. The Group reviews annually the estimated useful lives of property, plant, and equipment and ROU assets based on expected asset's utilization, market demands and future technological development consistent with the Group's pursuit of constant modernization of the equipment to ensure the availability, reliability and cost efficiency of the equipment. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property, plant, and equipment and ROU assets.

There was no change in the estimated useful lives of property, plant, and equipment and ROU assets in 2023, 2022 and 2021. The carrying amount of property, plant, and equipment and ROU assets are disclosed in Notes 8 and 18 to consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets, excluding Goodwill. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considered important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for cash-generating unit to which the asset belongs. Based on management's assessment, the nonfinancial assets are not impaired.

No impairment was recognized in 2023, 2022 and 2021.The carrying amounts of nonfinancial assets of the Group as at December 31, 2023 and 2022 are disclosed in Notes 6, 7 and 18 to consolidated financial statements.

Assessing the Realizability of Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The carrying amounts of recognized and unrecognized deferred tax assets as at December 2023 and 2022 are disclosed in Note 17 to consolidated financial statements.

4. Goodwill

The Parent Company's acquisition of 77.78% ownership in SPARC resulted to a goodwill of ₱51,262,928 which is attributable to the expected synergies from combining the operation of the subsidiary and the technical expertise of the Parent Company and to expand its solar power plant operations.

In 2021, the Parent Company paid additional contingent consideration amounting to ₱5,111,720 (see Note 15).

As at December 31, 2023 and 2022, advances for acquisition of investment amounted to ₱14,000,000, which represent deposit made by the Parent Company to purchase the remaining 22.22% of SPARC's common and preferred shares from its minority shareholders.

For purposes of impairment assessment, the Group determined the recoverable amount of goodwill based on value in use which is based on discounted cash flow model using the SPARC's financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructuring or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The pre-tax weighted average cost of capital of the entities is 13%.

Non-controlling Interest

Effective percentage of ownership held by non-controlling interest in SPARC at December 31, 2023 and 2022 is 22.22%.

The summarized financial information of the material partly owned subsidiary is presented below. This information is based on the amounts before intercompany eliminations.

	2023	2022
Current assets	**₱190,705,826**	₱144,513,293
Noncurrent assets	**770,050,793**	818,228,289
Current liabilities	**697,062,472**	699,171,479
Noncurrent liabilities	**136,385,666**	163,594,316
Equity	**127,308,481**	99,975,787
Revenue	**130,183,766**	152,998,360
Net income (loss)	**27,559,262**	(17,364,831)
Total comprehensive income (loss)	**27,322,694**	(17,364,831)

5. Cash

This account consists of:

	2023	2022
Cash on hand	**₱94,780**	₱94,780
Cash in banks	**4,493,339**	7,414,962
	₱4,588,119	₱7,509,742

Cash in banks earn interest at prevailing bank deposit rates. Cash in banks are immediately available for use in the current operations.

Interest income recognized in the consolidated statements of comprehensive income follows (see Note 15):

	Note	**2023**	2022	2021
FIT rate differential receivables	6	**₱1,097,559**	₱702,025	₱423,917
Cash in banks		**4,249**	79,010	59,844
Restricted cash	7	**3,710**	2,924	–
		₱1,105,518	₱783,959	₱483,761

6. Trade and Other Receivables

This account consists of:

	Note	2023	2022
Trade		**₱17,596,148**	₱20,370,907
FIT rate differential receivables	18	**28,705,942**	24,776,790
Other receivables		**285,417**	258,371
		46,587,507	45,406,068
Less: allowance for impairment loss		**(2,467,554)**	(2,467,554)
		44,119,953	42,938,514
Noncurrent portion		**24,415,042**	22,942,809
Current portion		**₱19,704,911**	₱19,995,705

Trade receivables pertain to receivable from revenue on power generation. These are noninterest-bearing and are generally collectible within 30 to 90 days. The Group is entitled to collect default interest 30 days after due date based on 91-day treasury bill rate plus 300 basis points.

FIT rate differential receivables pertain to retroactive FIT rate adjustments in which the Group is entitled to collect within 5 years from actual delivery of electricity (see Note 18).

Balances of FIT rate differential receivables are presented as follows:

	2023	2022
Current	**₱4,290,900**	₱1,833,981
Noncurrent	**24,415,042**	22,942,809
	₱28,705,942	₱24,776,790

Interest income earned from FIT rate differential receivables amounting to ₱1,097,559, ₱702,025 and ₱423,917 in 2023, 2022 and 2021, respectively (see Note 5).

Other receivables include advances from employees for business-related expenses subject to liquidation.

7. **Other Assets**

This account consists of:

	Note	**2023**	2022
Current			
Restricted cash	10	**₱9,038,547**	₱9,594,088
Current input VAT		**7,739,640**	7,739,640
Deferred input VAT		**3,078,029**	1,713,713
Prepayments		**824,689**	830,378
		20,680,905	19,877,819
Less: allowance for impairment of other current assets		**(8,625,590)**	(835,950)
		12,055,315	19,041,869
Noncurrent			
Advances to suppliers and contractors		**48,248,279**	48,248,279
Security deposits	18	**158,274**	155,274
		48,406,553	48,403,553
		₱60,461,868	₱67,445,422

Restricted cash pertains to fund set aside for next quarter payment of loan and interest (see Note 10). Interest income in restricted cash amounted to ₱3,710, ₱2,924 and nil in 2023, 2022 and 2021, respectively (see Note 5).

Current input VAT includes VAT on imported materials for the solar energy facilities covered by the import entry declaration by the Bureau of Customs.

Deferred input VAT pertains to input VAT from unpaid services.

The movement of allowance for impairment of other current assets are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱835,950**	₱835,950
Provision	15	**7,789,640**	–
Balance at end of year		**₱8,625,590**	₱835,950

Advances to suppliers and contractors pertain to the down payments made for capitalizable assets to be used for the Group's operations.

Security deposits pertain to deposits on lease contracts entered by the Group. These are non-refundable and will be generally applied as final payment at the end of lease agreement.

8. Property, Plant, and Equipment

Movements and balances of this account consist of:

	2023				
	Solar Equipment	**Solar Plant Facilities and Site Equipment**	**Furniture, Fixtures and Office Equipment**	**Transportation Equipment**	**Total**
Cost					
Balance at beginning of year	**₱798,291,058**	**₱368,086,239**	**₱627,084**	**₱1,349,107**	**₱1,168,353,488**
Additions	**–**	**–**	**13,835**	**–**	**13,835**
Balance at end of year	**798,291,058**	**368,086,239**	**640,919**	**1,349,107**	**1,168,367,323**
Accumulated Depreciation					
Balance at beginning of year	**252,308,107**	**111,901,145**	**530,737**	**1,316,336**	**366,056,325**
Depreciation	**41,588,723**	**18,500,333**	**71,684**	**32,771**	**60,193,511**
Balance at end of year	**293,896,830**	**130,401,478**	**602,421**	**1,349,107**	**426,249,836**
Carrying Amount	**₱504,394,228**	**₱237,684,761**	**₱38,498**	**₱–**	**₱742,117,487**

	2022				
	Solar Equipment	Solar Plant Facilities and Site Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
Cost					
Balance at beginning of year	₱798,291,058	₱368,077,400	₱587,799	₱1,349,107	₱1,168,305,364
Additions	–	8,839	39,285	–	48,124
Balance at end of year	798,291,058	368,086,239	627,084	1,349,107	1,168,353,488
Accumulated Depreciation					
Balance at beginning of year	210,719,384	93,182,720	468,014	1,204,515	305,574,633
Depreciation	41,588,723	18,718,425	62,723	111,821	60,481,692
Balance at end of year	252,308,107	111,901,145	530,737	1,316,336	366,056,325
Carrying Amount	₱545,982,951	₱256,185,094	₱96,347	₱32,771	₱802,297,163

The cost of fully depreciated property, plant and equipment still being used by the Group amounted to ₱6,268,605 and ₱3,888,510 as at December 31, 2023 and 2022, respectively.

Property, Plant, and Equipment as Loan Securities

The Group's solar equipment, plant facilities and site equipment were mortgaged in favor of certain creditor bank as collateral to finance their construction and acquisition (see Note 10). The carrying amounts are as follows:

	2023	2022
Solar equipment	**₱504,394,228**	₱545,982,951
Solar plant facilities and site equipment	**237,684,761**	256,185,094
	₱742,078,989	₱802,168,045

Depreciation and Amortization

Depreciation and amortization charged to operations are as follows:

	Note	**2023**	2022	2021
Property, plant, and equipment		**₱60,193,511**	₱60,481,692	₱63,718,573
ROU assets	18	**3,019,005**	3,019,005	3,021,822
		₱63,212,516	₱63,500,697	₱66,740,395

Depreciation and amortization are distributed as follows:

	Note	**2023**	2022	2021
Cost of services	13	**₱63,037,716**	₱63,326,153	₱66,579,672
Operating expenses	14	**174,800**	174,544	160,723
		₱63,212,516	₱63,500,697	₱66,740,395

9. Trade and Other Payables

This account consists of:

	Note	**2023**	2022
Trade		**₱7,334,979**	₱8,196,495
Accrued expenses		**57,068,768**	55,728,745
Interest payable	10	**439,425**	585,129
Statutory payables		**308,340**	215,367
Others		**511,605**	511,605
		₱65,663,117	₱65,237,341

Trade payables are noninterest-bearing and are generally settled in varying periods within one (1) year depending on the arrangements with suppliers.

Accrued expenses consist primarily of accrual for ancillary services rendered by the National Grid Corporation of the Philippines (NGCP) and for financial benefits to be paid to the Department of Energy (DOE) (see Note 18) which are generally settled within one year after the reporting period.

Interest payable pertains to accrued interest from loan payable to local creditor bank.

Statutory payables include taxes withheld by the Group on employees' compensation and on payments to suppliers. These are remitted to the respective regulatory agencies in the following month.

10. Loan Payable

Balance and movements in this account are as follows:

	2023	2022
Balance at beginning of year	**₱149,351,023**	₱175,325,114
Payments	**(25,974,091)**	(25,974,091)
Balance at end of year	**123,376,932**	149,351,023
Less: unamortized debt issue costs	**(520,343)**	(864,736)
	122,856,589	148,486,287
Less: current portion	**25,974,091**	25,974,091
Noncurrent portion	**₱96,882,498**	₱122,512,196

On August 19, 2016, SPARC entered into a 12-year loan agreement for the construction of its 14.0-Megawatt (MW) solar power plants. The total credit facility amounted to ₱800,000,000 but shall only be allowed for drawdown when the Solar Power Plants, on a per site basis, become eligible for feed-in tariff (FIT) rate of not less than ₱6.00 per kilowatt hour (kWh) as granted by the Energy Regulatory Commission (ERC).

The Group was granted the first loan and only drawdown amounting to ₱285,715,000 out of ₱800,000,000 credit facility after the 5.0-MW plant in Palauig, Zambales became eligible for FIT rate at ₱8.70 per kWh in 2016.

The loan bears an annual interest rate of 5.5% for the first five (5) years subject to repricing starting September 2021. Starting September 9, 2021, the annual interest is at 6.5% until the loan matures on September 8, 2028. The loan is payable in 44 equal quarterly installments that started on the fifth quarter after drawdown.

The loan payable includes financial covenants such as debt-to-equity ratio, current ratio, and debt service coverage ratio during the term of the loan. As at December 31, 2023 and 2022, the Group has complied only with debt service coverage ratio. The Group, however, has not received any notice from the creditor bank on the partial non-compliance of the financial loan covenants and has continued to make payments based on the original terms of the loan. Accordingly, the Group did not reclassify the noncurrent portion of the loan as current.

On April 3, 2024, the creditor bank waived SPARC's compliance with the maximum debt-to-equity and minimum current ratio as at December 31, 2023, and submission of post-release documents. In addition, the creditor bank directed SPARC to infuse additional capital of at least ₱80,000,000 until September 30, 2024 and not pay its advances to shareholders/due to related parties as long as the loan remains outstanding.

The loan is secured by chattel mortgages over all the assets in the three (3) solar power plants, the value of which is higher compared with the loan granted (see Note 9), pledge over all shares of stock held by the stockholders of SPARC, assignment of rights and privileges over the Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (TransCo.) and real estate mortgage over leasehold rights on various lease contracts on the three (3) solar power plants (see Note 18), maintenance of all revenue account for the three (3) solar power plants with the lending bank and hold out of one (1) quarterly amortization in the debt service account maintained with the lending bank.

Restricted cash amounted to ₱9,038,547 and ₱9,594,088 as at December 31, 2023 and 2022 were set aside for the next quarterly payment of loan and interest (see Note 7).

Expected Loan Repayments

The expected loan principal repayments over the remaining term of the loan as at December 31, 2023, and 2022 are as follows:

	2023	2022
Not later than one year	**₱25,974,091**	₱25,974,091
Later than one year but not later than five years	**97,402,841**	103,896,364
Later than five years	**–**	19,480,568
	₱123,376,932	₱149,351,023

Debt Issue Costs

Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2023	2022
Balance at beginning of year	**₱864,736**	₱1,111,462
Amortization	**(344,393)**	(246,726)
Balance at end of year	**₱520,343**	₱864,736

Interest Expense

Interest expense charged to operations are as follows:

	Note	**2023**	2022	2021
Loan payable		**₱9,320,221**	₱11,346,408	₱10,355,479
Lease liabilities	18	**2,433,273**	2,583,161	2,870,155
		₱11,753,494	₱13,929,569	₱13,225,634

The changes in the Group's liabilities arising from financing activities in 2023 and 2022 are as follows:

	2023						
			Noncash Changes				
	Balance at Beginning of Year	**Financing Cash Flows**	**Interest Expense**	**Amortization of Debt-Issue Costs**	**Unrealized Foreign Exchange Gain**	**Conversion to Equity**	**Balance at End of Year**
Loan payable	**₱148,486,287**	**(₱25,974,091)**	**₱–**	**₱344,393**	**₱–**	**₱–**	**₱122,856,589**
Interest payable	**585,129**	**(9,121,532)**	**9,320,221**	**(344,393)**	**–**	**–**	**439,425**
Lease liabilities	**43,384,808**	**(4,735,962)**	**2,433,273**	**–**	**–**	**–**	**41,082,119**
Due to related parties	**853,825,726**	**–**	**–**	**–**	**(4,097,802)**	**(248,159,916)**	**601,568,008**
	₱1,046,281,950	**(₱39,831,585)**	**₱11,753,494**	**₱–**	**(₱4,097,802)**	**(₱248,159,916)**	**₱765,946,141**

	2022					
			Noncash Changes			
	Balance at Beginning of Year	Financing Cash Flows	Interest Expense	Amortization of Debt-Issue Costs	Unrealized Foreign Exchange Loss	Balance at End of Year
Loan payable	₱174,213,652	(₱25,974,091)	₱–	₱246,726	₱–	₱148,486,287
Interest payable	278,683	(10,793,236)	11,346,408	(246,726)	–	585,129
Lease liabilities	45,560,448	(4,758,801)	2,583,161	–	–	43,384,808
Due to related parties	803,204,736	–	–	–	50,620,990	853,825,726
	₱1,023,257,519	(₱41,526,128)	₱13,929,569	₱–	₱50,620,990	₱1,046,281,950

11. **Retirement Liability**

The Group has unfunded and non-contributory defined benefit retirement plan covering all its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary as at December 31, 2023.

The breakdown of retirement expense in 2023 is as follows:

Current and past service cost	₱572,636
Interest expense	33,823
	₱606,459

The movements of retirement liability recognized in the consolidated statements of financial position as at December 31, 2023 are as follows:

Balance at beginning of year	₱–
Current service cost	115,572
Interest expense	33,823
Past service cost	457,064
Remeasurement losses on:	
Experience adjustments	92,638
Change in financial assumptions	159,104
Balance at end of year	₱858,201

The remeasurement loss on retirement liability recognized in OCI and its corresponding deferred tax effect as at December 31, 2023 are as follows:

Remeasurement loss	₱251,742
Deferred tax (see Note 17)	25,174
Net remeasurement loss	₱226,568

The discount rate and salary projection rate used as principal assumptions for the purpose of the actuarial valuation in as at December 31, 2023 are 6.2% and 5.0%, respectively.

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31,2023 is presented below.

		Effect on Present Value of Retirement Liability	
	Change in Assumption	Discount Rate	Salary Projection Rate
December 31, 2023	+1%	(₱135,340)	₱164,126
	-1%	168,508	(134,546)

The expected future benefit payments within the following years after December 31, 2023 are as follows:

Within one (1) year	₱–
After one (1) year but not more than 10 years	752,037
More than 10 years	18,573,142

The weighted average duration of the retirement benefit obligation as at December 31, 2023 is 4.5 years.

12. Capital Stock

The balance and movements of this account are as follows:

	2023		2022	
	No. of Shares	**Amount**	No. of Shares	Amount
Authorized Capital Stock - ₱0.10 par value in 2023 and ₱1 par value in 2022				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Reduction in par value	**450,000,000**	**–**	–	–
Increase	**1,500,000,000**	**150,000,000**	–	–
Balance at end of year	**2,000,000,000**	**₱200,000,000**	50,000,000	₱50,000,000
Issued and Outstanding				
Balance at beginning of year	**12,500,000**	**₱12,500,000**	12,500,000	₱12,500,000
Reduction in par value	**112,500,000**	**–**	–	–
Issuances of shares	**750,000,000**	**75,000,000**	–	–
Balance at end of year	**875,000,000**	**₱87,500,000**	12,500,000	₱12,500,000

On May 31, 2023, the stockholders and the BOD of the Parent Company approved the increase in authorized capital stock and the reduction of par value from ₱50,000,000 divided into 50,000,000 shares at par value of ₱1 per share, to ₱200,000,000 divided into 2,000,000,000 shares with a par value of ₱0.10 per share.

On December 13, 2023, the SEC approved the increase in authorized capital stock and the reduction in par value. PEHC applied its advances amounting to ₱248,159,916 as payment for an additional subscription of common shares from the unissued portion of the authorized capital stock and a portion of the increase in authorized capital stock aggregating ₱75,000,000. The excess of the advances over the par value of the additional subscription resulted to additional paid-in capital of ₱173,159,916 (see Note 16).

Events After the Reporting Period

On February 16, 2024, PEHC subscribed to additional common shares amounting to ₱31,500,000, divided into 315,000,003 shares at par value of ₱0.10.

13. Cost of Sale of Electricity

This account consists of:

	Note	**2023**	2022	2021
Depreciation and amortization	8	**₱63,037,716**	₱63,326,153	₱66,579,672
Service fees		**9,709,413**	9,722,256	16,502,952
Personnel costs		**7,153,491**	5,977,356	6,422,036
Security services		**3,730,319**	3,354,919	2,791,767
Taxes and licenses		**1,993,973**	7,381,477	8,092,841
Utilities		**1,717,505**	1,750,977	1,402,395
Insurance		**1,482,480**	1,497,666	1,380,863
Rental	18	**219,342**	180,000	150,000
Others		**1,344,213**	3,865,391	989,488
		₱90,388,452	₱97,056,195	₱104,312,014

Service fees pertain to distribution wheeling charges, transmission and ancillary services related to the generation of solar energy (see Note 18).

Taxes and licenses pertain mostly to real property tax. On March 24, 2023, the Group received a certificate of tax credit from the local government of Zambales amounting to ₱7,665,785 which was applied against the Group's tax payments in 2023.

14. Operating Expenses

This account consists of:

	Note	**2023**	2022	2021
Outside services	16	**₱5,400,000**	₱5,400,000	₱–
Taxes and licenses		**2,003,309**	1,458,603	220,710
Personnel cost		**1,191,422**	1,026,548	777,162
Tools and supplies		**830,679**	159,433	55,770
Professional and contractors' fees		**466,600**	1,513,782	1,009,909
Depreciation	8	**174,800**	174,544	160,723
Representation		**70,696**	277,401	139,167
Transportation and travel		**18,555**	37,620	10,852
Provision for impairment of trade receivables		**–**	–	895,536
Others		**344,458**	648,545	739,577
		₱10,500,519	₱10,696,476	₱4,009,406

15. Other Charges

This account consists of:

	Note	**2023**	2022	2021
Provision for impairment of other current assets	7	**(₱7,789,640)**	₱–	₱–
Unrealized foreign exchange gain (loss)	16	**4,097,802**	(50,620,990)	(31,675,372)
Interest income	5	**1,105,518**	783,959	483,761
Write-off of due from related parties	16	**–**	(6,488,455)	–
Loss from change in fair value of contingent consideration	4	**–**	–	(5,111,720)
Others		**–**	631,184	–
		(₱2,586,320)	(₱55,694,302)	(₱36,303,331)

16. **Related Party Transactions**

The Group has transactions with its related parties in the ordinary course of business as follows:

		Amount of Transactions		Balance at End of Year	
	Nature	**2023**	2022	**2023**	2022
Due from Related Parties					
Entities Under Common Control	Advances for working capital	**₱55,195,166**	74,517,252	**₱166,735,271**	₱111,540,105
	Write-off of advances	**–**	(6,488,455)	–	–
PEHC	Advances for working capital	**–**	1,869,863	**6,869,863**	6,869,863
Stockholders	Advances for working capital	**–**	–	**4,540,000**	4,540,000
				₱178,145,134	₱122,949,968
Due to Related Parties					
Stockholders	Advances for working capital	**₱–**	₱–	**₱601,568,008**	₱605,665,810
PEHC	Advances for working capital	**–**	–	–	248,159,916
				₱601,568,008	₱853,825,726
Expenses					
Entity Under Common Control	Outside services	**₱5,400,000**	₱5,400,000	**₱–**	₱–

Due from Related Parties

Due from related parties are noninterest bearing, unsecured, collectible in cash, and due and demandable. No impairment loss was recognized in 2023, 2022 and 2021. In 2022, the Group directly wrote-off ₱6,488,455 of the advances to a related party (see Note 15).

Due to Related Parties

Due to related parties is noninterest bearing, unsecured and payable in cash.

In 2016, the Group received foreign currency-denominated advances from a stockholder amounting to United States (US) $10,643,606. Unrealized foreign exchange gain (loss) from advances amounted to ₱4,097,802, (₱50,620,990) and (₱31,675,372) in 2023, 2022 and 2021 respectively (see Note 15).

In 2023, PEHC applied its advances amounting to ₱248,159,916 as payment for an additional subscription of common shares from the unissued portion of the authorized capital stock and a portion of the increase in authorized capital stock aggregating ₱75,000,000. The excess of the advances over the par value of the additional subscription resulted to additional paid-in capital of ₱173,159,916 (see Note 12).

Outside Services

Outside services pertains to the allocated share of SPARC of the common cost incurred by a related party which is generally payable in cash. This is for general administration, corporate finance and personnel and management.

Compensation of Key Management Personnel

Short term benefits paid to the key management personnel of the Group amounted to ₱2,880,000 in 2023 and 2022.

17. **Income Taxes**

The Group's current income tax pertains to the 10% preferential income tax amounting to ₱2,150,525 in 2023.

The components of the Group's deferred tax benefit are as follows:

	Note	**2023**	2022	2021
Reported in profit or loss		**(₱8,590,123)**	(₱1,582,842)	(₱8,514,551)
Reported in OCI	11	**(25,174)**	–	–
		(₱8,615,297)	(₱1,582,842)	(₱8,514,551)

SPARC is entitled to tax incentives under its registration with the Board of Investments (BOI) for the operation of its Solar Power Plants. One of the incentives is a seven-year income tax holiday (ITH) from March 2016, the date of actual commercial operations. The ITH is only applicable to revenues generated from the sale of electricity of the Solar Power Plants (the Registered Activity). SPARC's ITH expired in March 2023. After the expiration of ITH, SPARC is entitled to a 10% preferential tax on net taxable income.

As at December 31, 2023, the Group recognized deferred tax assets in anticipation of future taxable income from its operations. Details of recognized deferred tax assets as at December 31, 2023 are as follows:

Unrealized foreign exchange loss	₱6,136,167
Effect of PFRS 16	435,089
Allowance for impairment of trade receivables	246,755
Discount on FIT rate differential receivables	128,624
Retirement liabilities	85,820
	₱7,032,455

The Group's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	**₱461,325**	₱107,273
Unrealized foreign exchange loss	–	6,545,947
Effect of PFRS 16	–	363,457
Allowance for impairment of trade receivables	–	246,755
	₱461,325	₱7,263,432

As at December 31, 2023 and 2022, management assessed that it may not be probable that sufficient taxable income will be available against which the benefits of the foregoing deferred tax assets can be utilized.

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiration Year
2023	₱–	₱1,416,207	₱–	₱1,416,207	2026
2022	153,815	–	–	153,815	2025
2021	113,738	–	–	113,738	2026
2020	161,540	–	–	161,540	2025
	₱429,093	₱1,416,207	₱–	₱1,845,300	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and as implemented under Revenue Regulations No.25-2020, the net operating loss of a business enterprise incurred for the taxable years 2021 and 2020 can be carried over as a deduction from taxable income for the next five (5) consecutive taxable years following the year of such loss.

Deferred tax liability presented in the consolidated statements of financial position amounting to ₱25,958,605 and ₱27,541,447 as at December 31, 2023 and 2022, respectively, pertains to excess fair value over the carrying amount of property, plant and equipment from business combination.

The reconciliation of income tax computed at the statutory tax rate to income tax benefit as shown in the consolidated statements of comprehensive income is summarized as follows:

	2023	2022	2021
Income tax expense (benefit) computed at statutory tax rate	**₱3,738,745**	(₱6,094,546)	(₱8,033,707)
Changes in unrecognized deferred tax assets	**(6,802,107)**	4,703,959	923,015
Add (deduct) tax effects of:			
Income subject to preferential tax rate	**(3,225,787)**	–	–
Nondeductible expenses	**2,034,003**	1,688,912	1,445,097
Income subject to ITH	**(1,959,143)**	(10,061,267)	(4,383,431)
Interest income subjected to final tax	**(1,990)**	(20,484)	(14,961)
Difference in tax rates	**(223,319)**	7,719,654	960,453
Expired MCIT and NOLCO	**–**	480,930	588,983
	(₱6,439,598)	(₱1,582,842)	(₱8,514,551)

18. **Significant Commitments**

The Group as a Lessee

The Group entered into operating lease agreements for a period of 20 years for the lease of land where the solar power plants are situated. The lease contracts have renewal provisions of 10 years subject to mutual agreement by the Group and the lessors.

Leasehold rights on various contracts of lease are covered by real estate mortgage as security to the Group's loan with LBP (see Note 10).

Balance of security deposits made on the lease agreements amounted to ₱158,274 and ₱155,274 as at December 31, 2023, and 2022, respectively (see Note 7).

The balances and movements in ROU assets are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning and end of year		**₱51,826,259**	₱51,826,259
Accumulated Amortization			
Balance at beginning of year		**12,076,022**	9,057,017
Amortization	8	**3,019,005**	3,019,005
Balance at end of year		**15,095,027**	12,076,022
Carrying Amount		**₱36,731,232**	₱39,750,237

The balance and movements in lease liabilities follow:

	Note	**2023**	2022
Balance at beginning of year		**₱43,384,808**	₱45,560,448
Interest expense	10	**2,433,273**	2,583,161
Payments		**(4,735,962)**	(4,758,801)
Balance at end of year		**41,082,119**	43,384,808
Current portion of lease liabilities		**2,437,152**	2,302,688
Noncurrent portion of lease liabilities		**₱38,644,967**	₱41,082,120

Future minimum lease payables under the non-cancellable lease agreement as at December 31, 2023, and 2022 are as follows:

	2023		2022	
	Minimum Lease Payments	**Present Value**	Minimum Lease Payments	Present Value
Within one year	**₱4,735,962**	**₱2,437,152**	₱4,735,962	₱2,302,688
More than one year but not later than five years	**23,679,805**	**11,257,341**	23,679,805	10,636,240
More than five years	**28,415,765**	**27,387,626**	33,151,726	30,445,880
	₱56,831,532	**₱41,082,119**	₱61,567,493	₱43,384,808

The Group has certain leases for staff house with a lease term of 12 months or less. The Group applies the "short-term lease" recognition exemption for these leases.

Rental expense incurred under the non-cancellable operating lease agreements recorded under "Cost of sale of electricity" account amounted to ₱219,242, ₱180,000 and ₱150,000 in 2023, 2022 and 2021 respectively (see Note 13).

Renewable Energy Generation

Solar Energy Service Contract (SESC)
The Government, through the DOE, awarded solar energy service contracts to the Group that grant exclusive right to explore, develop and utilize solar energy resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development or commercial stage.

The pre-development stage refers to preliminary assessment and feasibility study activities and shall be for a period of two (2) years from the effective date with an extendible period of one (1) year. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

As at December 31, 2023, and 2022, all three (3) SESC of the Group in Bulacan, Bataan and Zambales are in the commercial stage.

A disaggregation of the Group's revenue from contracts with customers as follows:

	2023	2022	2021
Wholesale Electricity Spot Market (WESM)	**₱68,342,789**	₱86,877,889	₱61,766,686
Feed-in-Tariff (FIT)	**61,840,977**	66,120,471	63,948,870
	₱130,183,766	₱152,998,360	₱125,715,556

Market Participation Agreement (MPA)
The Group entered into a MPA to be a WESM Participant with IEMOP as its Market Operator to sell bulk energy generated from its solar power plants subject to WESM rules and manuals.

Certificate of Compliance for Feed-In-Tariff System (COC-FIT)
On February 6, 2017, the ERC issued a COC-FIT for the Palauig Solar Power Project in Zambales. The Palauig Solar Power Project is entitled to the FIT rate, as approved by the ERC for a period of 20 years from March 16, 2016 to March 12, 2036. The term of COC-FIT is until December 7, 2021. On February 4, 2022, SPARC was granted a Provisional Authority to Operate under FIT system (PAO- FIT) for a period of another year until December 7, 2022. As at report date, SPARC is in the process of applying for the renewal of the COC-FIT.

Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (TransCo.)
On July 5, 2016, the Group entered into an agreement with TransCo. to set-out rights and obligations relating to the payment of actual FIT revenue to the Group for electricity generated in the 5.0-MW plant in Palauig, Zambales.

On May 6, 2020, the Energy Regulation Commission issued ERC Resolution No. 06 series of 2020 which approved the adjustments to FIT rate from 2017 to 2020. The Group accrued the retroactive revenue adjustments based on the revised FIT rates.

FIT rate differential receivables from retroactive FIT rate adjustments amounted to ₱28,705,942 and ₱24,776,790 as at December 31, 2023 and 2022, respectively (see Note 6).

Memorandum of Agreement (MOA) with the DOE
On April 11, 2016, the Group entered into an agreement with the DOE to grant financial benefits and/or energy resources to its host communities pursuant to Energy Regulations (E.R.) No. 1-94 implementing Section 5(i) of R.A. No. 7638, otherwise known as the "Department of Energy Act of 1992". The agreement covers the solar power plants of the Group in Bataan, Bulacan and Zambales.

The accrued financial benefits amounted to ₱1,409,741 and ₱1,234,252 as at December 31, 2023, and 2022, respectively. These are recorded as part of "Accrued expenses" under "Trade and other payables" account in the consolidated statements of financial position.

Metering and Transmission Service Agreement with NGCP
On June 26, 2016, the Group entered into an agreement with NGCP to construct concrete foundations and grounding connections, security fence, land line and telephone connection for the Group's power plants and pay the metering and transmission service charge to NGCP in accordance with prescribed rates.

Metering and transmission costs charged to operations amounted to ₱9,634,648, ₱9,640,223 and ₱16,390,075 in 2023, 2022 and 2021, respectively. These are recorded as part of "Service fees" under "Cost of services" in the consolidated statements of comprehensive income.

On October 12, 2021, NGCP ceased the inclusion of ancillary service costs in its billing starting September 1, 2021. Accrued ancillary service costs amounted to ₱53,971,922 as at December 31, 2023, and 2022. These are recorded as part of "Accrued expenses" under "Trade and other payables" in the consolidated statements of financial position.

Legal Proceedings
The Group is involved in certain legal proceedings. Management believes that the ultimate liability, if any, with respect to such disputes will not materially affect the financial position of the Group.

19. Financial Risk Management Objectives and Policies and Capital Management

The Group's principal financial instruments consist mainly of financial assets and financial liabilities directly related to operations specifically cash, trade receivables, FIT rate differential receivables, due from related parties, restricted cash (presented as "Other current assets"), trade and other payables (excluding statutory payables), loan payable, lease liabilities and due to related parties.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk
Credit risk is the risk that counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers including related parties, placing deposits with banks and investing in short-term placements.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

Generally, receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, and a failure to make contractual payments for a period greater than one (1) year.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, representing the Group's maximum exposure to credit risk without considering the value of any collateral obtained is summarized below:

	2023	2022
Cash in banks	**₱4,493,339**	₱7,414,962
Trade receivables and FIT rate differential receivables	**43,834,536**	42,680,143
Due from related parties	**178,145,134**	122,949,968
Restricted cash (presented as part of "Other current assets")	**9,038,547**	9,594,088
	₱235,511,556	₱182,639,161

An impairment analysis on trade receivables is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns. The Group does not hold collateral as security.

The Group's trade receivables and FIT rate differential receivable are collectible from TransCo., a government-owned and controlled corporation, and Independent Electricity Market Operator of the Philippines, an autonomous group market operator.

The credit quality of financial assets is managed by the Group using internal credit quality ratings.

The table below shows the credit risk exposure of the Group's financial assets at amortized cost via provision matrix and the corresponding ECL recognized for each age category.

	2023						
			Past Due				
	High Grade	**Standard Grade**	**1 - 30 Days**	**31 - 90 Days**	**More than 90 Days**	**Total**	**Expected Credit Loss**
Simplified approach -							
Trade receivables	**₱–**	**₱6,876,720**	**₱6,876,720**	**₱75,440**	**₱3,767,268**	**₱17,596,148**	**₱2,467,554**
FIT rate differential receivables	**–**	**28,705,942**	**–**	**–**	**–**	**28,705,942**	**–**
	–	**35,582,662**	**6,876,720**	**75,440**	**3,767,268**	**46,302,090**	**2,467,554**
12-month ECL:							
Cash*	**4,493,339**	**–**	**–**	**–**	**–**	**4,493,339**	**–**
Restricted cash		**9,038,547**	**–**	**–**	**–**	**9,038,547**	**–**
Due from related parties	**–**	**178,145,134**	**–**	**–**	**–**	**178,145,134**	**–**
	4,493,339	**187,183,681**	**–**	**–**	**–**	**191,677,020**	**–**
	₱4,493,339	**₱222,766,343**	**₱6,876,720**	**₱75,440**	**₱3,767,268**	**₱237,979,110**	**₱2,467,554**

**Excluding cash on hand amounting to ₱94,780 as at December 31, 2023.*

	2022						
			Past Due				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Expected Credit Loss
Simplified approach -							
Trade receivables	₱–	₱11,554,139	₱4,975,268	₱87,336	₱3,754,164	₱20,370,907	₱2,467,554
FIT rate differential receivables	–	24,776,790	–	–	–	24,776,790	–
	–	36,330,929	4,975,268	87,336	3,754,164	45,147,697	2,467,554
12-month ECL:							
Cash*	7,414,962	–	–	–	–	7,414,962	–
Restricted cash	9,594,088	–	–	–	–	9,594,088	–
Due from related parties	–	122,949,968	–	–	–`	122,949,968	–
	17,009,050	122,949,968	–	–	–	139,959,018	–
	₱17,009,050	₱159,280,897	₱4,975,268	₱87,336	₱3,754,164	₱185,106,715	₱2,467,554

**Excluding cash on hand amounting to ₱94,780 as at December 31, 2022.*

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

a. High Grade – settlements are obtained from counterparty following the terms of the contracts without much collection effort.

b. Standard Grade – some reminder follow-ups are performed to obtain settlement from the counterparty.

c. Past Due – items with history of frequent defaults but nevertheless the amount of due are still collectible.

The Group's cash in bank and restricted cash are deposited with highly reputable and pre-approved financial institutions with good credit standing in the local banking industry. The risk of default for related parties is low since the Group transacts with related parties that have capacities to meet their contractual cash flow obligation in the near term. The Group assessed that the ECL from these financial assets are not significant.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2023, and 2022:

	2023				
	Due and Demandable	**Less than 1 year**	**2-5 years**	**Over 5 years**	**Total**
Trade and other payables*	**₱–**	**₱65,354,777**	**₱–**	**₱–**	**₱65,354,777**
Loan payable**	**–**	**33,340,236**	**110,062,897**	**–**	**143,403,133**
Lease liabilities	**–**	**4,735,961**	**23,679,805**	**28,415,766**	**56,831,532**
Due to related parties	**601,568,008**	**–**	**–**	**–**	**601,568,008**
	₱601,568,008	**₱103,430,974**	**₱133,742,702**	**₱28,415,766**	**₱867,157,450**

**Excluding statutory payables amounting to ₱308,340 as at December 31, 2023.*
***Including future interests.*

	2022				
	Due and Demandable	Less than 1 year	2-5 years	Over 5 years	Total
Trade and other payables*	₱–	₱65,021,974	₱–	₱–	₱65,021,974
Loan payable**	–	35,095,623	123,287,713	20,115,420	178,498,756
Lease liabilities	–	4,735,962	23,679,805	33,151,726	61,567,493
Due to related parties	853,825,726	–	–	–	853,825,726
	₱853,825,726	₱104,853,559	₱146,967,518	₱53,267,146	₱1,158,913,949

**Excluding statutory payables amounting to ₱215,367 as at December 31, 2022.*
***Including future interests,*

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined daily to arrive at the projected cash position to cover its obligations.

Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The future interest rates changes are not expected to significantly affect the Group's income before income tax.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant to the Group's income before income tax:

	2023	2022
Increase (decrease) in basis points:		
+50	**(₱6,168,847)**	(₱7,467,551)
-50	**6,168,847**	7,467,551

Foreign Currency Risk
The Group's due to stockholder is denominated in US dollar. Consequently, exposures to exchange rate fluctuations arise. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The dollar equivalent of the foreign currency-denominated due to related parties amounted to US$10,643,606 as at December 31, 2023 and 2022. The carrying amounts of the Group's foreign currency-denominated due to related parties amounted to ₱589,336,465 and ₱593,434,267 as at December 31, 2023, and 2022, respectively.

The exchange rates per peso applied for purposes of restating the outstanding balance are ₱55.37 and ₱55.76 as at December 31, 2023 and 2022, respectively.

With all other variables held constant, the table below demonstrates the sensitivity to a reasonably possible change in the Group's income before income tax for the years ended December 31, 2023, and 2022:

	Increase/Decrease in Exchange Rate	Effect on Income before Income Tax
December 31, 2023	**0.39%**	**₱4,097,788**
	(0.39%)	**(4,097,788)**
December 31, 2022	4.76%	50,620,990
	(4.76%)	(50,620,990)

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Group regularly monitors its capital position and assesses business conditions to ensure early detection and determination of risks and its consequent adverse impact. The Group adopts measures, as deemed necessary and appropriate, to mitigate risks.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity as capital.

The Group is required to maintain debt-to-equity ratios in accordance with its loan agreements (see Note 10).

No changes were made in the objectives, policies, and process in 2023 and 2022.

20. Fair Value Measurement

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities are presented below:

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash in bank	**₱4,493,339**	**₱4,493,339**	₱7,414,962	₱7,414,962
Trade receivables and FIT rate differential receivables	**43,834,536**	**43,834,536**	42,680,143	42,680,143
Due from related parties	**178,145,134**	**178,145,134**	122,949,968	122,949,968
Restricted cash	**9,038,547**	**9,038,547**	9,594,088	9,594,088
	₱235,511,556	**₱235,511,556**	₱182,639,161	₱182,639,161
Financial Liabilities				
Trade and other payables*	**₱65,354,777**	**₱65,354,777**	₱65,021,974	₱65,021,974
Loan payable	**122,856,589**	**146,596,867**	148,486,287	153,870,042
Due to related parties	**601,568,008**	**601,568,008**	853,825,726	853,825,726
	₱789,779,374	**₱813,519,652**	₱1,067,333,987	₱1,072,717,742

**Excluding statutory payables amounting to ₱308,340 and ₱215,367 as at December 31, 2023, and 2022, respectively.*

Management has determined that the carrying amounts of cash in bank, trade and other receivables, due from related parties, restricted cash, trade and other payables (excluding statutory payables) and due to related parties approximate their fair values because of their short-term maturities.

Loans Payable. The fair value of loan payable is the present value of all future cash flows discounted using applicable rates for similar types of loans. The fair value of the loan payable is classified under level 2 (significant observable inputs) of the fair value hierarchy. The discount rates used are 5.60% and 4.62% in 2023 and 2022, respectively.

There were no transfers between levels in the fair value hierarchy for the years ended December 31, 2023, and 2022.

21. Earnings (Loss) Per Share

The following table presents information necessary to calculate earnings (loss) per share:

	2023	2022	2021
Net income (loss) attributable to the equity holders of the Parent Company	**₱16,326,033**	(₱17,764,379)	(₱18,398,653)
Weighted average number of common shares	**281,250,000**	125,000,000	125,000,000
	₱0.06	(₱0.14)	(₱0.15)

Earnings (loss) per share is calculated using the net income divided by the weighted average number of common shares. The Group has assessed that there were no dilutive common shares as at December 31, 2023, 2022 and 2021.

The number of common shares and earnings (loss) per share information have been retroactively adjusted to reflect the reduction in par value of shares.

22. Segment Reporting

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the renewable energy generation segment. This segment undertakes the generation of electricity through solar power plants which are within the Group's country of domicile.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
NexGen Energy Corp. (formerly Just Solar Corp.) and Subsidiaries
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

We have audited the accompanying consolidated financial statements of NexGen Energy Corp. (formerly Just Solar Corp.) (the Parent Company) and Subsidiaries (the Group) (a wholly-owned subsidiary of Pure Energy Holdings Corporation) as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, on which we have rendered our report dated April 8,2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has one (1) stockholder owning one hundred (100) or more shares.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 10072419
Issued January 2, 2024, Makati City

April 8, 2024
Makati City, Metro Manila

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
NexGen Energy Corp. (Formerly Just Solar Corp.) and Subsidiaries
3rd Floor JTKC Center
2155 Chino Roces Ave.
Makati City

We have audited in accordance with Philippines Standards on Auditing (PSA), the consolidated financial statements of NexGen Energy Corp. (formerly Just Solar Corp.) and Subsidiaries (the Group) (a wholly-owned subsidiary of Pure Energy Holdings Corporation as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 have issued our report thereon dated April 8, 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules as at December 31, 2023 are the responsibility of the Group's management. These supplementary schedules include the following:

- Financial Soundness Indicators
- Conglomerate Map
- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code Rule 68
- Supplementary Schedule on Retained Earnings Available for Dividend Declaration

These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the consolidated financial statements. This information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. In our opinion, the information is fairly stated in all material respect in relation to the consolidated financial statements taken as a whole.

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RSM

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The Schedule of Financial Soundness Indicators, including definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-015-2023
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April 8, 2024
Makati City, Metro Manila

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) **AND SUBSIDIARIES**
(A Wholly-owned Subsidiary of Pure Energy Holdings Corporation)

FINANCIAL SOUNDNESS INDICATORS

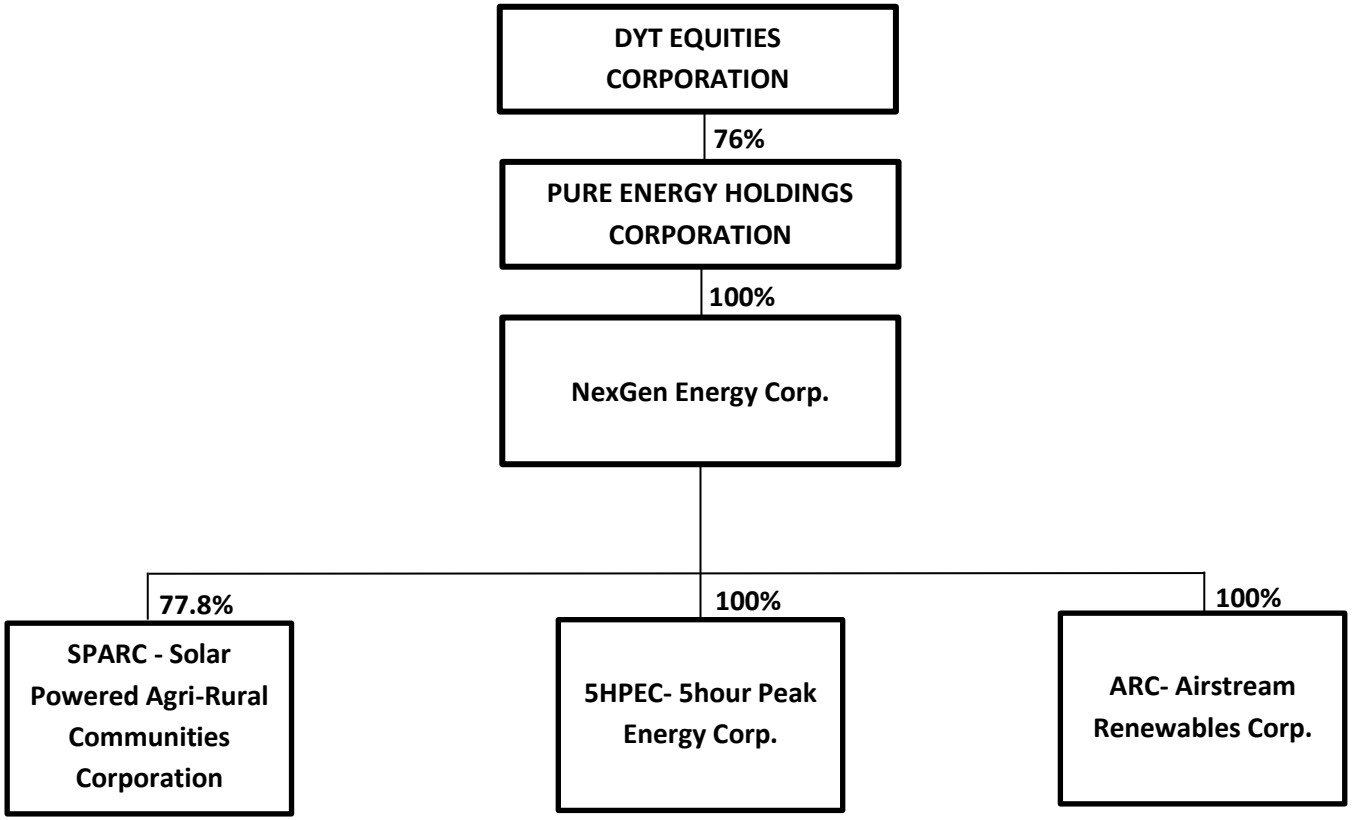
Below is a schedule showing financial soundness indicators of the Group as at and for the year ended December 31, 2023 and 2022.

Ratio	Formula	**2023**	2022
Current ratio	Current assets/current liabilities	**0.31**	0.18
Acid test ratio	Quick assets/current liabilities	**0.03**	0.03
Solvency ratios	Net income before amortization and depreciation/total liabilities	**0.10**	0.04
Debt-to-equity ratio	Total liabilities/total equity	**3.08**	117.63
Asset-to-equity ratio	Total assets/total equity	**4.08**	118.63
Interest service coverage ratio	Income before interest expense, depreciation and amortization, and income tax/interest expense	**7.65**	3,81
Return on equity	Net income/shareholder's equity	**0.15**	(1.08)
Return on assets	Net income/total assets	**0.02**	(0.02)
Net profit margin	Revenue less cost/revenue	**0.31**	0.37

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2023



NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE REVISED SRC RULE 68

DECEMBER 31, 2023

Table of Contents

Schedule	*Description*	*Page*
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	2
D	Long-Term Debt	3
E	Indebtedness to Related Parties (Long-Term loans from Related Parties)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

SCHEDULE B – Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

DECEMBER 31, 2023

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of year***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Noncurrent***	***Balance at end of year***
Principal Stockholders	₱3,540,000	₱–	₱–	₱–	₱4,540,000	₱–	₱4,540,000

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of year***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Noncurrent***	***Balance at end of year***
Solar Powered Agri-rural Communities Corporation	₱10,219,010	₱1,607,062	₱–	₱–	₱11,826,072	₱–	₱11,826,072
Airstream Renewables Corp.	–	347,926	–	–	347,926	–	347,926
5hour Peak Energy Corp.	–	30,200	–	–	30,200	–	30,200
	₱10,219,010	₱1,985,188	₱–	₱–	₱12,204,198	₱–	₱12,204,198

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

SCHEDULE D – LONG TERM DEBT

DECEMBER 31, 2023

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount shown under caption "Current portion of Loans payable" in related balance sheet*	*Amount shown under caption "Loans payable - net of current portion " in related balance sheet*
Local creditor bank	₱122,856,589	₱25,974,091	₱96,882,498

NEXGEN ENERGY CORP. (FORMELY JUST SOLAR CORP.) AND SUBSIDIARIES

SCHEDULE G – CAPITAL STOCK

DECEMBER 31, 2023

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options,warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common stock - ₱0.10 par value	2,000,000,000	875,000,000	–	–	7	–

PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023

NexGen Energy Corporation

3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines

	Amount
Deficit, beginning of reporting period	(₱6,800,524)
Add: Net loss for the current year	(1,053,032)
Deficit, end of the reporting period available for dividend	(₱7,853,556)

NEXGEN ENERGY

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of NexGen Energy Corp. (formerly Just Solar Corp.) (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Renato Z. Locsin
Chairman of the Board

Eric Peter Y. Roxas
President / Chief Executive Officer

Suzanne S. Cañete
Treasurer

Signed this 8th day of April, 2024

SUBSCRIBED AND SWORN to before me this 08 APR 2024 day of _____ 2024 at Makati City, above affiant exhibited to me their _____, as follows:

Name	Tax Identification Number
Renato Z. Locsin	187-939-916-000
Eric Peter Y. Roxas	106-207-301-000
Suzanne S. Cañete	121-951-009-000

DOC. NO.: 31
PAGE NO.: 7
BOOK NO.: 194
SERIES OF: 2024

ATTY JOSHUA P. LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
UNTIL 12-31-24
APPOINTMENT NO. M-[illegible] 2023 202[illegible]
IBP LIFETIME NO. 04837
PTR O.R NO 9563523 / 01-03-24 / MAKATI CITY
MCLE NO. VIII-0016370 / 04 26 24 UNTIL 04 14-25
G/F FEDMAN SUITES, 195 SALCEDO ST.
LEGASPI VILLAGE MAKATI CITY

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: Anthonio Kwong
Receipt Date and Time: April 17, 2024 05:18:03 PM

Company Information

SEC Registration No.: CS201718692
Company Name: JUST SOLAR CORP.
Industry Classification: O93000
Company Type: Stock Corporation

Document Information

Document ID: OST10417202482244466
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Consolidated
Remarks: None

Acceptance of this document is subject to review of forms and contents

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Chairman of the Board

Eric Peter Y. Roxas
President / Chief Executive Officer

Suzanne S. Cañete
Treasurer

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