

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF

**SYNERGY GRID & DEVELOPMENT PHILS., INC.**  
(the "Corporation")

Held on 12 August 2024, at 1:00 P.M.  
*Via Videoconference*

**DIRECTORS PRESENT:**

Robert G. Coyiuto, Jr.  
Paul P. Sagayo, Jr.  
Vicente D. Gerochi IV  
Jose Perpetuo M. Lotilla  
Luis Jose P. Ferrer  
Francis Saturnino C. Juan

**ALSO PRESENT:**

Maria Farah Z.G. Nicolas-Suchianco  
Cheryl S. Saldaña-de Leon  
Andreanne Hannah B. Dimaandal  
Justice Lady P. Soriano  
Ma. Theresita G. Yulo  
Selina Irene O. Ablaza

**1. CALL TO ORDER**

The President, Paul P. Sagayo, Jr., acted as Chairman of the Meeting, and called the meeting to order and presided over the same. The Corporate Secretary, Atty. Cheryl S. Saldaña-de Leon, recorded the minutes of the proceedings.

The Corporate Secretary advised that the meeting was recorded, in compliance with the requirements of the Philippine Securities and Exchange Commission (SEC) under SEC Memorandum Circular No. 6, Series of 2020, which provides for the guidelines for a board meeting through videoconference. The recording will form part of the records of the Corporation.

**2. PROOF OF NOTICE OF MEETING AND CERTIFICATION OF QUORUM**

The Corporate Secretary certified that notices were sent to all directors by electronic mail, and that a quorum existed for the transaction of business. During the roll call, the Corporate Secretary verified and confirmed the identity of the participants, their location, the device they are using, that each participant received the relevant materials prior to the meeting, and that they can clearly hear and see the other participants.

Name of Participant	Location	Device	Receipt of relevant materials of the meeting	Confirmation that they can clearly hear and/or see the other attendees
Robert G. Coyiuto, Jr.	Makati City	Laptop	Yes	Yes
Paul P. Sagayo, Jr.	Pasig City	Laptop	Yes	Yes
Vicente D. Gerochi IV	Quezon City	Laptop	Yes	Yes
Jose Perpetuo M. Lotilla	Marikina City	Desktop	Yes	Yes
Luis Jose P. Ferrer	Quezon City	Laptop	Yes	Yes
Francis Saturnino C. Juan	Quezon City	Mobile Phone	Yes	Yes

Thereafter, the Chairman declared that the Board could now proceed to transact the official business for this meeting. 

### 3. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON 13 MAY 2024

Upon motion duly made and seconded, the directors unanimously passed and approved the following resolution:

“RESOLVED, that the minutes of the Regular Meeting of the Board of Directors of the Corporation held on 13 May 2024 be approved.”

### 4. PRESENTATION AND APPROVAL OF THE FINANCIAL REPORTS AS OF 30 JUNE 2024

The Chief Financial Officer, Treasurer, and Investor Relations Officer, Ms. Justice Lady P. Soriano (CFO), presented the Financial Reports of Synergy Grid & Development Phils., Inc. (Corporation) and its subsidiaries as of 30 June 2024.

<b>Financial Performance (Parent Only)</b>						
<small>(Amounts in Millions)</small>						
	2nd Quarter of 2024			Unaudited Year To Date		
	June 30, 2024	Budget	June 30, 2023	June 30, 2024	Budget	June 30, 2023
OPERATION SERVICE REVENUES	0	0	0	0	0	0
COST OF OPERATION SERVICE REVENUES	0	0	0	0	0	0
OPERATION SERVICE REVENUES-Net	0	0	0	0	0	0
OPERATING EXPENSES	22	19	21	45	40	44
LOSS FROM OPERATIONS	(22)	(19)	(21)	(45)	(40)	(44)
OTHER INCOME	1,438	546	919	1,823	932	1,855
Interest income	13	13	6	17	17	15
Dividend income	1,413	521	901	1,782	891	1,816
Management Income	12	12	12	24	24	24
	1,438	546	919	1,823	932	1,855
NET INCOME BEFORE TAX	1,416	527	898	1,778	892	1,811
INCOME TAX EXPENSE	3	0	1	4	0	3
NET INCOME / TOTAL COMPREHENSIVE INCOME	1,413	527	897	1,774	892	1,808

For the Financial Performance of the Corporation as of 30 June 2024 compared with figures from 30 June 2023, operating expenses increased to PhP45 Million. Other income decreased from PhP1.86 Billion to PhP1.82 Billion, consisting of: (1) interest income of PhP17 Million from the placement of dividends, (2) dividend income of PhP1.78 Billion from OneTaipan Holdings, Inc. (OTHI), Pacifica21 Holdings, Inc. (P21), and the National Grid Corporation of the Philippines (NGCP), and (3) management income from shared services extended to the holding companies in the amount of PhP24 Million. The resulting net income is slightly lower at PhP1.77 Billion compared to PhP1.81 Billion from the same period last year.

### Financial Position as of 30 June 2024 (Parent Only)

<small>(Amounts in Millions)</small>			
	June 30, 2024	June 30, 2023	December 31, 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	273	1,255	324
Current portion of other receivables	0	0	5
Other current assets - net	27	20	25
<b>Total Current Assets</b>	<b>300</b>	<b>1,275</b>	<b>354</b>
<b>Noncurrent Assets</b>			
Investment in subsidiaries	94,246	94,246	94,246
Property and equipment - net	1	2	1
<b>Total Noncurrent Assets</b>	<b>94,247</b>	<b>94,248</b>	<b>94,247</b>
<b>Total Asset</b>	<b>94,547</b>	<b>95,523</b>	<b>94,601</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other current liabilities	3	3	4
Dividends payable	8	10	6
<b>Total Liabilities</b>	<b>11</b>	<b>13</b>	<b>10</b>
<b>Equity</b>			
Capital stock	5,266	5,266	5,266
Additional paid-in capital	88,928	88,928	88,928
Retained earnings	342	1,316	397
<b>Total Equity</b>	<b>94,536</b>	<b>95,510</b>	<b>94,591</b>
	<b>94,547</b>	<b>95,523</b>	<b>94,601</b>

As for the Financial Position of the Corporation as of 30 June 2024, total assets amounted to PhP94.55 Billion, a minimal decrease from 2023 year-end's PhP94.60 Billion due to a lower cash balance. Total liabilities amounted to PhP11 Million with a slight increase attributable to dividends payable consisting of outstanding checks issued to shareholders. Retained earnings decreased by PhP55 Million from PhP397 Million as of 31 December 2023 to PhP342 Million as of 30 June 2024.

### Cash Flow as of 30 June 2024 (Parent Only)

(Amounts in Millions)		June 30, 2024	June 30, 2023	December 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	P	(6) P	(11) P	(23)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Dividend received		1,782	1,816	1,816
Net cash provided by investing activities	P	1,782 P	1,816 P	1,816
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of dividends		(1,635)	(2,046)	(2,870)
Payment of final tax on dividends		(192)	(235)	(330)
Net cash used in financing activities	P	(1,827) P	(2,281) P	(3,200)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	P	(51) P	(476) P	(1,407)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		324	1,731	1,731
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	P	273 P	1,255 P	324

For the cash flow of the Corporation, net cash used in operating activities was PhP6 Million. Net cash provided by investing activities was PhP1.78 Billion, representing dividends from NGCP. Net cash used in financing activities was PhP1.8 Billion, consisting of dividends paid to shareholders and final tax on dividends. These resulted in a net decrease in cash of PhP51 Million and ending cash balance of PhP273 Million.

### Financial Performance (Consolidated)

(Amounts in Millions)	2nd Quarter of 2024			Unaudited Year to Date		
	June 30, 2024	Budget	June 30, 2023	June 30, 2024	Budget	June 30, 2023
OPERATION SERVICE REVENUES - Net	13,136	13,139	13,126	26,596	26,520	26,495
OPERATING EXPENSES	6,110	6,527	5,906	11,742	12,272	11,187
INCOME FROM OPERATIONS	7,026	6,612	7,220	14,854	14,248	15,308
OTHER CHARGES - Net	(2,705)	(2,029)	(1,284)	(4,654)	(4,016)	(2,551)
Interest expense	(1,916)	(1,753)	(1,394)	(3,435)	(3,354)	(2,799)
Interest income	48	30	29	91	61	48
Foreign exchange gain (loss) - net	(409)	92	93	(455)	68	177
Bank and finance charges	(63)	(65)	(62)	(125)	(127)	(125)
Miscellaneous income	(365)	(333)	50	(730)	(664)	148
	(2,705)	(2,029)	(1,284)	(4,654)	(4,016)	(2,551)
NET INCOME BEFORE TAX	4,321	4,583	5,936	10,200	10,232	12,757
INCOME TAX EXPENSE	3	0	1	4	0	3
NET INCOME	4,318	4,583	5,935	10,196	10,232	12,754
OTHER COMPREHENSIVE INCOME						
<i>Items that will never be reclassified to profit or loss</i>						
Remeasurement gains on defined benefit liability	354	0	(205)	354	0	(205)
TOTAL COMPREHENSIVE INCOME	4,672	4,583	5,730	10,550	10,232	12,549
Attributable to:						
Equity holders of the Parent Company	2,128	2,086	2,610	4,804	4,656	5,718
Non-controlling interests	2,544	2,497	3,120	5,746	5,576	6,831
	4,672	4,583	5,730	10,550	10,232	12,549
BASIC AND DILUTED						
INCOME PER SHARE	0.37	0.40	0.51	0.88	0.88	1.10

For the Consolidated Financial Reports of the Corporation and its subsidiaries (Group), the CFO presented a comparison of the Financial Performance between the current year as of 30 June 2024 and as of 30 June 2023. Operational Revenues slightly increased from PhP26.5 Billion to PhP26.6 Billion.

Operating expenses also increased by 5% to PhP11.74 Billion. Under operating expenses, there was a notable increase in taxes and licenses, particularly in the Special Use Agreement in Protected Areas (SAPA) fee paid to the Department of Environment and Natural Resources (DENR) for the use of over seventeen (17) hectares of land for the CNP 3 Project of NGCP. Other charges increased by 84% from PhP2.55 Billion to PhP4.65 Billion mainly due to higher interest

expenses and recording of franchise tax expense. Resulting net income is lower at PhP10.2 Billion compared to PhP12.7 Billion as of the previous year.

### Financial Position as of 30 June 2024 (Consolidated)

(Amounts in Millions)	June 30, 2024	June 30, 2023	December 31, 2023
<b>ASSETS</b>			
<b>Noncurrent Assets</b>			
Intangible asset - net	405,314	359,461	378,011
Property and equipment - net	4,995	5,077	4,993
Receivables - net of current portion	19,881	13,780	19,819
Goodwill	10,472	10,472	10,472
Other noncurrent assets	2,623	3,462	3,035
<b>Total Noncurrent Assets</b>	<b>443,285</b>	<b>392,252</b>	<b>416,330</b>
<b>Current Assets</b>			
Cash and cash equivalents	5,944	7,686	9,913
Receivables - net	10,063	14,762	10,208
Other current assets - net	27,996	34,051	29,724
<b>Total Current Assets</b>	<b>44,003</b>	<b>56,499</b>	<b>49,845</b>
	<b>487,288</b>	<b>448,751</b>	<b>466,175</b>

For the Financial Position of the Group, total assets increased from PhP466.18 Billion as of 31 December 2023 to PhP487.29 Billion as of 30 June 2024. Net asset movement consists of increase in intangible assets due to additional capital expenditure of NGCP, particularly in upgrading its various substations.

### Financial Position as of 30 June 2024 (Consolidated)

(Amounts in Millions)	June 30, 2024	June 30, 2023	December 31, 2023
<b>LIABILITIES AND EQUITY</b>			
<b>Noncurrent Liabilities</b>			
Loans payable - net of current portion	185,456	163,197	169,770
Retirement benefits liability	2,419	2,438	2,617
Customers' and other deposits	513	440	441
Concession fee payable	45,348	54,319	49,895
Other noncurrent liabilities	1,569	1,760	1,561
<b>Total Noncurrent Liabilities</b>	<b>235,305</b>	<b>222,154</b>	<b>224,284</b>
<b>Current Liabilities</b>			
Trade and other current payables	42,027	42,243	40,054
Current portion of concession fee payable	8,971	0	4,424
Current portion of loans payable	19,070	22,652	23,739
Other current liabilities	19,886	15,832	18,219
<b>Total Current Liabilities</b>	<b>89,954</b>	<b>80,727</b>	<b>86,436</b>
<b>Total Liabilities</b>	<b>325,259</b>	<b>302,881</b>	<b>310,720</b>
<b>Equity</b>			
Capital stock	5,266	5,266	5,266
Additional paid-in capital	88,928	88,928	88,928
Remeasurement losses on defined benefit liability	1	(109)	(161)
Equity adjustments from common control transactions	(73,359)	(73,359)	(73,359)
Retained earnings	83,140	76,407	80,327
Equity Attributable to Equity Holders of the Parent	103,976	97,133	101,001
Non-controlling interests	58,053	48,737	54,454
<b>Total Equity</b>	<b>162,029</b>	<b>145,870</b>	<b>155,455</b>
	<b>487,288</b>	<b>448,751</b>	<b>466,175</b>

Total liabilities increased to PhP325.26 Billion, mainly due to additional long-term borrowings. Total equity also increased to PhP162.03 Billion with an increase in retained earnings by PhP2.81 Billion.

## Cash Flow as of 30 June 2024 (Consolidated)

(Amounts in Millions)

	June 30, 2024	June 30, 2023
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	19,907	20,996
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investment in capital expenditures	(30,734)	(31,972)
Additions to property and equipment	(398)	(397)
Net cash used in investing activities	(31,132)	(32,369)
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds of loans payable	25,000	25,900
Payment of cash dividends	(3,647)	(4,446)
Payment of loans payable	(13,983)	(7,143)
Settlement of obligation under lease liabilities	(116)	(101)
Net cash provided by financing activities	7,254	14,210
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	2	(1)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,969)	2,836
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	9,913	4,850
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	5,944	7,686

For the Group's cash flow, net cash provided by operating activities was PhP19.9 Billion. Net cash flow used in investing activities of PhP31 Billion consists mainly of capital expenditures of PhP30.7 Billion. Net cash flow provided by financing activities of PhP7.25 Billion consists of loan proceeds of PhP25 Billion, cash dividends paid of PhP3.6 Billion, and payment of loans and other obligations of PhP14.1 Billion. These resulted in net decrease in cash of PhP3.97 Billion and an ending cash balance of PhP5.94 Billion.

After some discussion and upon motion duly made and seconded, the following resolution was approved:

"RESOLVED, that as recommended by the Audit and Risk Committee, the Corporation's Financial Reports as of 30 June 2024, as presented by the Corporation's Chief Financial Officer (CFO) be approved;

"RESOLVED FURTHER, that the Corporation appoints its Chairman, Mr. Henry T. Sy, Jr., President, Atty. Paul P. Sagayo, Jr., its Treasurer, Ms. Ma. Justice Lady P. Soriano, its Comptroller, Ms. Ma. Theresita G. Yulo. or any director or officer of the Corporation as its authorized representatives and signatories in the preparation and approval of the financial reports, with authority to make the necessary arrangements in order to effect the release of the same, and to sign, execute, and/or deliver any and all documents in the name of the Corporation in connection therewith, including the signing of relevant documents related thereto, as well as the performance of all other acts incidental thereto."

## 5. ADJOURNMENT

There being no further business to transact, the meeting was adjourned. 

Certified Correct:

  
**CHERYL S. SALDAÑA-DE LEON**  
 Corporate Secretary

Attested:

  
**PAUL P. SAGAYO, JR.**  
Chairman of the Meeting/Director/President

Approved:

  
**ROBERT G. COYIUTO, JR.**  
Vice Chairman

  
**VICENTE D. GERACHI IV**  
Director

  
**JOSE PERPETUO M. LOTILLA**  
Lead Independent Director

  
**LUIS JOSE P. FERRER**  
Independent Director

  
**FRANCIS SATURNINO C. JUAN**  
Independent Director

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