



**GREENERGY**  
Holdings

**GREENERGY HOLDINGS INCORPORATED**  
(formerly MUSX Corporation)  
54 National Road, Dampol II-A  
Pulilan, Bulacan  
Tel. No. (02) 661-6945; 579-4450

21 November 2014

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Ave., Makati City

Attention : **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

**MS. TINA C. FORTES**  
Senior Specialist, Disclosure Department

Subject : **News Article dated 20 November 2014**

**Gentlemen:**

We write in response to the Philippine Stock Exchange's ("PSE") letter dated 21 November 2014, requesting Greenergy Holdings Incorporated (the "Company") to clarify the information contained in the following news article which appeared in *philStar.com* on 20 November 2014:

*"MANILA, Philippines - The Securities and Exchange Commission (SEC) has raised red flags on the business operations of Antonio Tiu, who has claimed ownership of a Batangas estate that is allegedly part of the hidden wealth of Vice President Jejomar Binay and his family.*

*In a report submitted to the Senate last Monday, the SEC cited 'incomplete disclosures' pertaining to Tiu's Agrinurture Inc., Agrifortuna Inc., Greenergy Holdings Inc., Sunchamp Real Estate Development Corp. and Earthright Inc.*

*Teresita Herbosa, SEC chairman, said the commission has required each of the five firms to explain in writing - in addition to audit committee resolution - how they dealt with the findings and the corrective measures undertaken to comply with proper procedures.*

*'If the explanation is not meritorious, each company shall be assessed with penalties based on materiality tests under SEC Memorandum Circular No. 8, Series of 2009,' Herbosa said.*

*The directive was contained in a two-page letter, along with six annexed documents, submitted by the SEC to the Senate Blue Ribbon subcommittee investigating the alleged anomalies in Makati City when Binay was still mayor.*

*In a scrutiny of the consolidated financial statements as of Dec. 31, 2013, the SEC report showed that there were incomplete disclosures on leases of Greenergy*

*Holdings (i.e. reconciliation between the total of future minimum lease payments and their present value).*

*There were also incomplete disclosures noted in related-party transactions, the SEC said, adding that these entail the description of transactions, information about transactions and commitments.*

*During the Senate inquiry Tiu had admitted that portions of the property in Rosario, Batangas are being leased to the Binays for their piggery and orchid business.*

*Tiu also maintained that Sunchamp has gained majority shares of the Batangas property.*

*Based on the Sunchamp Real Estate Development Corp. (SREDC)'s General Information Sheet as of 2014 filed on July 14 this year, the SEC noted that Greenergy has 62.39 percent ownership over SREDC.*

*Considering the ownership, the SEC said the company should have counted SREDC as subsidiary as of June 30, 2014.*

*The SEC review also noted that Sunchamp did not have disclosures on investment in stocks as well as on its inventories. There is also incomplete disclosure on 'construction-in-progress' to cover the nature of assets being constructed, estimated cost to complete and percentage of completion as of reporting period. . ."*

The Company confirms that it received a Comment and Response Sheet from the Markets and Securities Regulation Department and the Office of the General Accountant of the Securities and Exchange Commission (the "Commission") on 6 and 7 November 2014, respectively. The Company wishes to clarify however that it was only requested to respond to the comments/findings of the Commission on its financial statements and was not required by the Commission to provide an audit committee resolution and an explanation on how it has dealt with the findings of the latter and the corrective measures undertaken to comply with proper procedures.

As regards the findings of the Commission, the Company responded as follows:

*First, as to the incomplete disclosures on leases of the Company, the Company clarified to the Commission that it has no lease arrangements as of 31 December 2013 and therefore the finding of incomplete disclosures is inapplicable.*

*Second, as to the incomplete disclosures on related party transactions, the Company clarified to the Commission that the related party transactions disclosed in Note 21 of its Consolidated Audited Financial Statements ("CAFS") as of 31 December 2013 are in compliance with PAS 24 and Rule 68 of the Securities Regulation Code. These transactions pertain to intercompany advances, noninterest-bearing and the required allowance for impairment losses were recognized. The outstanding balances as well as the transactions in 2013 and 2012 were presented in a table. There are no commitments.*

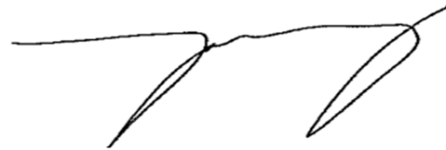
*Finally*, the Company would like to clarify that it only executed the subscription agreement with Sunchamp Real Estate Development Corp. ("SREDC") for its subscription to 310,000,000 primary common shares of SREDC on 2 July 2014. Since the Second Quarter Report/CUIFS covers the period ended 30 June 2014, SREDC was not consolidated as it was not yet a subsidiary. The Company's subscription to 310,000,000 SREDC primary common shares was included in the 2014 GIS of SREDC, which was filed on 4 July 2014 as it was a significant subsequent event. The Company has complied with the requirements of PFRS 3 on Business Combination in its Third Quarter Report/Consolidated Unaudited Interim Financial Statements for the period ended 30 September 2014.

Attached herewith are the Company's responses to the Commission's Comments and Response Sheets received by the Company on 6 and 7 November 2014.

The Company wishes to assure the investing public that it is strictly monitoring its compliance with the requirements of Rule 68 of the Securities Regulation Code.

We trust that you find the foregoing in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'PAULA KATRINA L. NORA', with a long horizontal line extending to the left and two large loops on the right.

**PAULA KATRINA L. NORA**  
Asst. Corporate Secretary/  
Asst. Corporate Information and  
Compliance Officer



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# SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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Industry Classification Financial Holding Company Activities  
Company Type Stock Corporation

Document Information

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(formerly MUSX Corporation)  
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Tel. No. (02) 661-6945; 579-4490

12 November 2014

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills  
Mandaluyong City, Metro Manila

Attention : **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Markets and Securities Regulation Department, Director

Subject : Comment and Response Sheet dated 5 November 2014

**Gentlemen:**

In compliance with your letter dated 5 November 2014, which was received by Greenergy Holdings Incorporated (the "Company") on 6 November 2014, attached hereto is the Company's response to the Securities and Exchange Commission's (the "Commission") findings as regards the Company's Audited Consolidated Financial Statements as of 31 December 2013.

We hope that we have clarified the issues with our response. We assure the Commission that the Company is strictly monitoring its compliance with the requirements of Rule 68 of the Securities and Regulations Code.

With our best regards,

**ANTONIO L. TIU**  
Chairman/President/CEO

**COMMENTS & RESPONSE SHEET**

**General Instruction:** Use this sheet in responding to us. WRITE your explanation/action taken in the corresponding spaces under the caption "RESPONSE OF COMPANY". USE concise and direct responses (e.g. "Not applicable" and briefly state the reason. "Admitted, "Disclosure provided in page \_\_\_ of the AFS"). Sign each and every page and SUBMIT them to our Office for evaluation

Name of the Company: GREENERGY HOLDINGS, INCORPORATED

Consolidated Unaudited Interim Financial Statements (CUIFS) as of 30 June 2014

Notes to Financial Statements	COMMENTS/FINDINGS BRIEF DESCRIPTION OF NON-COMPLIANCE (See applicable rule/standard as cited, for complete reference)	BASIS/ REFERENCE	RESPONSE OF COMPANY
<b>Acquisition of Additional Shares</b>	Based on Sunchamp Real Estate Development Corp.'s (SREDC) General Information Sheet (GIS) as of 2014, which was filed on July 4, 2012, Greenergy has 62.39% ownership over SREDC. Considering the said ownership, the company should have accounted SREDC as subsidiary as of June 30, 2014 and should comply with the requirements of PFRS 3, Business Combination.	PFRS 3	<p>Not applicable. Greenergy Holdings Incorporated (the "Company") executed the subscription agreement with SREDC only on 2 July 2014, wherein the Company subscribed to 310,000,000 primary common shares of SREDC from the unissued shares of SREDC's authorized capital stock at ₱1.00 per common share for a total consideration of ₱310,000,000.00</p> <p>Since the Second Quarter Report/CUIFS covers the period ended 30 June 2014, SREDC was not consolidated as it was not yet a subsidiary. The Company's subscription to 310,000,000 SREDC primary common shares was included in the 2014 GIS of SREDC as it was a significant subsequent event.</p> <p>The Company will comply with PFRS 3 in its Third Quarter Report/CUIFS for the period ended 30 September 2014.</p>



**ANTONIO L. TIU**  
Chairman/President/  
Chief Executive Officer





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## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Non-Company Related Document(s)

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Addressee	DEPARTMENT ACCOUNT - OGA
Subject	RESPONSE TO THE LETTER DATED 3 NOVEMBER 2014
Document Type	Letter
Remarks	FOR ATTY. ARTIZA DATED 11/13/2014



# COVER SHEET

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S.E.C Registration Number

G R E E N E R G Y   H O L D I N G S  
 I N C O R P O R A T E D  
 \_\_\_\_\_  
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(Company's Full Name)

5 4   N A T I O N A L   R O A D   D A M P O L   I I A  
 P U L I L A N   B U L A C A N

(Business Address: No. Street City / Town / Province)

ATTY. PRINCESSITA PASANA-TURGANO

Contact Person

893-4115

Company Telephone Number

\_\_\_\_\_  
 Month                  Day

Fiscal Year

L T R \_\_\_\_\_

FORMTYPE

\_\_\_\_\_  
 Month                  Day

Annual Meeting

\_\_\_\_\_

Secondary License Type, if applicable

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 Dept. Requiring this Doc.

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Amended Articles Number/ Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplish by SEC Personnel concerned

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File Number

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November 13, 2014

**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills, Mandaluyong City

**Attention:** **MR. EMMANUEL Y. ARTIZA**  
Office of the General Accountant, Officer-in-charge

**Subject:** Response to the Letter dated 3 November 2014

**GENTLEMEN:**

We enclose Greenergy Holdings Incorporated's (the "Company") response to the letter of the Securities and Exchange Commission (the "Commission") dated 3 November 2014, which was received by the Company on 7 November 2014.

We hope that we have clarified the issues with our response. We assure the Commission that the Company is strictly monitoring its compliance with the requirements of Rule 68 of the Securities Regulation Code.

Very Truly Yours,

**ANTONIO L. TIU**  
Chairman/President/CEO

**COMMENT AND RESPONSE SHEET**

**General Instruction:** Use this sheet in responding to us. WRITE your explanation/action taken in the corresponding spaces under the caption "RESPONSE OF COMPANY", USE concise and direct responses (e.g., "Not Applicable" and briefly state the reason, "Admitted", "Disclosure Provided in Page\_\_ of the AFS"), SIGN each and every page.

**Name of the Company:** GREENERGY HOLDINGS INCORPORATED

Consolidated Audited Financial Statements ("CAFS") as of 31 December 2013

**External Auditor:** Reyes Tacandong & Co. (Mr. Emmanuel V. Clarino)

<b>COMPONENTS OF FINANCIAL STATEMENTS</b>	<b>Brief Description of Non-Compliance</b> <i>(See applicable rule/standard as cited, for complete reference)</i>	<b>RESPONSE OF COMPANY</b>
Leases	<p>Incomplete disclosures on Leases, i.e., minimum lease payments and their present value, (i) not later than 1 year; (ii) later than five years, contingent rents recognized as expense, general description of significant material leasing arrangements.</p> <p><i>(PAS 17)</i></p>	<p>Not applicable. Greenergy Holdings Incorporated has no lease arrangements as at 31 December 2013, hence disclosure requirement of Philippine Accounting Standard ("PAS") 17, <i>Lease</i>, is not applicable.</p>
Related Party Transactions	<p>The following findings were noted in Related Party Transactions:</p> <ul style="list-style-type: none"> <li>• Incomplete disclosures, i.e., description of transactions, information about transactions including commitments, necessary for users to understand potential effect of the relationship on the financial statements;</li> </ul> <p><i>(PAS 24, PAS 1, SRC Rule 68, as amended)</i></p>	<p>Not applicable. The related party transactions disclosed in Note 21 are in compliance with PAS 24 and Rule 68 of the Securities Regulation Code. These are intercompany advances, noninterest-bearing and the required allowance for impairment losses were recognized. The outstanding balances as well as the transactions in 2013 and 2012 were presented in a table.</p> <p>There are no commitments.</p>
Related Party Transactions	<p>The 2012 balance of Due from Music Semiconductor Philippines, Inc. (MSPI) amounting to P39.68 million (see Note 21 of the December 31, 2013 AFS) is not consistent with that recorded in the books of MSPI amounting to P38.49 million</p> <p><i>(PAS 24, PAS 1, SRC Rule 68, as amended)</i></p>	<p>The difference noted is immaterial representing less than 1% of total due from related parties and total assets determined as follows:</p>

A

		<table> <tr> <td>MSPi's books - Due to GHI</td> <td>₱38.49</td> </tr> <tr> <td>GHI's books - Due from MSPi</td> <td>39.68</td> </tr> <tr> <td><b>Difference</b></td> <td><b>(₱1.19)</b></td> </tr> <tr> <td>Total due from related parties</td> <td>267.93</td> </tr> <tr> <td><b>Percentage of difference to total due from related parties</b></td> <td><b>-0.44%</b></td> </tr> <tr> <td>Total assets</td> <td>1,361.28</td> </tr> <tr> <td><b>Percentage of difference to total assets</b></td> <td><b>-0.09%</b></td> </tr> </table>	MSPi's books - Due to GHI	₱38.49	GHI's books - Due from MSPi	39.68	<b>Difference</b>	<b>(₱1.19)</b>	Total due from related parties	267.93	<b>Percentage of difference to total due from related parties</b>	<b>-0.44%</b>	Total assets	1,361.28	<b>Percentage of difference to total assets</b>	<b>-0.09%</b>
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Related Party Transactions	<p>The amount owed by Isabela Alcogas Corp. (IAC) to the company amounting to ₱10.238 million (see Note 21 of the December 31, 2013 AFS) is not consistent with that indicated in the 2013 AFS of IAC amounting to ₱10 million;</p> <p><i>(PAS 24, PAS 1, SRC Rule 68, as amended)</i></p>	<p>The difference noted is immaterial representing less than 1% of total due from related parties and total assets determined as follows:</p> <table> <tr> <td>IAC's books - Due to GHI</td> <td>₱10.00</td> </tr> <tr> <td>GHI's books - Due from IAC</td> <td>10.24</td> </tr> <tr> <td><b>Difference</b></td> <td><b>(₱0.24)</b></td> </tr> <tr> <td>Total due from related parties</td> <td>267.93</td> </tr> <tr> <td><b>Percentage of difference to total due from related parties</b></td> <td><b>-0.09%</b></td> </tr> <tr> <td>Total assets</td> <td>1,361.28</td> </tr> <tr> <td><b>Percentage of difference to total assets</b></td> <td><b>-0.02%</b></td> </tr> </table>	IAC's books - Due to GHI	₱10.00	GHI's books - Due from IAC	10.24	<b>Difference</b>	<b>(₱0.24)</b>	Total due from related parties	267.93	<b>Percentage of difference to total due from related parties</b>	<b>-0.09%</b>	Total assets	1,361.28	<b>Percentage of difference to total assets</b>	<b>-0.02%</b>
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Related Party Transactions	<p>Per Note 21 of the 2013 AFS, the company has receivable from Sunchamp Realty Estate Development Corp. (SREDC) amounting to ₱383,972 and P344,126, respectively. Said amounts are not reflected in the</p> <p><i>(PAS 24, PAS 1, SRC Rule 68, as amended)</i></p>	<p>The difference noted is immaterial representing less than 1% of total due from related parties and total assets determined as follows:</p> <table> <tr> <td>IAC's books - Due to GHI</td> <td>₱10.00</td> </tr> <tr> <td>GHI's books - Due from IAC</td> <td>10.24</td> </tr> <tr> <td><b>Difference</b></td> <td><b>(₱0.24)</b></td> </tr> <tr> <td>Total due from related parties</td> <td>267.93</td> </tr> <tr> <td><b>Percentage of difference to total due from related parties</b></td> <td><b>-0.09%</b></td> </tr> <tr> <td>Total assets</td> <td>1,361.28</td> </tr> <tr> <td><b>Percentage of difference to total assets</b></td> <td><b>-0.02%</b></td> </tr> </table>	IAC's books - Due to GHI	₱10.00	GHI's books - Due from IAC	10.24	<b>Difference</b>	<b>(₱0.24)</b>	Total due from related parties	267.93	<b>Percentage of difference to total due from related parties</b>	<b>-0.09%</b>	Total assets	1,361.28	<b>Percentage of difference to total assets</b>	<b>-0.02%</b>
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