



June 08, 2021

**MR. ZHENG FENG QUAN**

*General Manager*

**PHILIPPINE SANJIA-STEEL CORPORATION**

Zone 1, Nabulod, Baluarte, Tagaloan, Misamis Oriental

[Leuterio.floramae95@gmail.com](mailto:Leuterio.floramae95@gmail.com)

**SUBJECT : RESULTS OF 2<sup>nd</sup> PROCEDURAL SCREENING, SITE INSPECTION  
AND DEMAND LETTER TO PAY THE FINE FOR THE PROPOSED  
STEEL MILL PROJECT OF PHILIPPINE SANJIA-STEEL  
CORPORATION**

Dear **Mr. Zheng:**

With reference to the 2<sup>nd</sup> procedural screening undertaken by this Office, we find the draft report still inadequate, and the following needs to be included in the EIS prior to the official acceptance of the report:

**General Comments:**

1. Provide the specific field of expertise of each person in the EIA Team, including each respective registration number. The EIA Team should be composed of the experts as agreed during the technical scoping meeting and should be at least 60% of its members have attended the training on DRR/CCA technical guidelines pursuant to EMB MC 2011-005.
2. The summary of impacts should follow the matrix provided to reflect the project activity with the corresponding impacts, mitigating measures, and target efficiency.
3. Provide the summary of issues gathered and responses during the Public Scoping. The documentation can be included as an Annex.
4. Provide the methodology used and the date conducted for the assessment of water quality. Further, include the methodology used during the conduct of marine assessment, flora and fauna assessment, and the reference used for the preparation of EIA Report.
5. Provide the missing tables and figures in Chapter 2. Assessment of Environmental Impacts.
6. Provide the clear geographical coordinates of the project area and reflect the primary and secondary impact areas. Discuss the accessibility of the project site/area.
7. Provide the larger general layout of the facility, the location and boundaries of the project area, location and footprint of main and support facilities, and the proposed buffers.
8. Include the description of other support facilities and infrastructure requirements such as energy/power generating facility (if any) or energy source, water supply/storage, stormwater drainage, sewerage, telecommunications, safety devices/emergency facilities, accommodation, and similar facilities.
9. Include in the basic background information of the previously issued ECC, the investigation, and the resolution for the NOV.
10. Provide the conducted perception survey.
11. The following were not included in the document:
  - Multi-Sectoral Monitoring Framework
  - Environmental Guarantee and Monitoring Fund Commitments
12. Notarized copy of Accountability Statement of Preparers and Proponent, PEMAPS;

**Specific Comments:**

**Water Quality:**

13. Provide discussion on the marine environment, as there was none mentioned in the EIA study area. Marine environment is a significant impact area.
14. Provide assessment for Oceanography and Marine Ecology.
15. Provide water balance calculations clearly showing the amount of make-up water needed during operations and the basis for the initial cooling water and make-up water rate estimates. Show present and future maintenance or depletion (if any) of the water source both for surface and groundwater.

16. Provide a detailed plan on water sourcing for the initial water requirement and the make-up water used during operation. Prove that extraction of water will not affect the agricultural and domestic water supply.
17. Provide the sampling stations for the water quality.

Air Quality:

18. Conduct GHG for applicable sources or all combustion process, e.g., Fuel burning reheating furnace and transport sources using IPCC emission factors.
19. No result of ambient air and noise was presented in the submitted report.
20. Conduct Emission Estimate/ guaranteed design Emission for using Engineering estimate Methods accepted by EMB or Guaranteed emission from the designer of APSI from the country of origin. Use as Source input in Dispersion Modeling.
21. Conduct Tier 4 Dispersion Modeling per EMB Dispersion Modeling Guidelines (MC 2008-003) for construction/operation, Line & Area Source, and Point Source.
22. Include an illustration diagram for each APSI connected to which APCD and stack.
23. Provide the sampling stations for air quality.

Land/Soil

24. Reflect in the map the project area in the land use map and assess the Project's compatibility in relation to land use.
25. Identify and assess project impact in terms of land tenure issues, visually significant landforms/landscape/structures, and the estimated generation of solid wastes and other related issues on the existing management scheme.
26. Provide assessment for pedology.
27. Provide the geomorphological map, identifying different landforms, e.g., alluvial/active channels, hills, etc., and include site terrain profile.

Further, based on the field investigation conducted on 27 May 2021, your Project is in violation of the following:


- a. Pursuant to Section 4 of P.D. 1586 states that *"No person, partnership or corporation shall undertake or operate any such declared environmentally critical project or area without first securing an Environmental Compliance Certificate issued by the President or his duly authorized representative"* for constructing the facility more than the allowable capacity of the plant
- b. Pursuant to Section 1, Rule XIX of DENR Administrative Order No. 2004-26, amending DAO No. 2000-81, Implementing Rules and Regulations of RA 8749 or the Philippine Clean Air Act of 1999, which provides that *"All sources of air pollution must have a valid Permit to Operate issued by the EMB Regional Director."*
- c. Non-implementation of immediate replanting as indicated in the Environmental Management Plan.

In view of the foregoing, you are hereby directed to pay the fine amounting to **One Hundred Thousand Pesos (Php 150,000)** for violating the above violation.

The Review Process for your request for an ECC will proceed upon completing the findings of procedural screening and settling of the administrative fines. Attached for your reference is the tentative EIA Process review schedule.

For your immediate compliance.

Very truly yours,

  
ENCR. WILLIAM P. CUÑADO  
Director





**Tentative/Projected EIA Schedule\*\* for the Philippine Sanjia Steel Project:**

Activity	Responsible Person	Date **
Revised EIS and Settlement of NOV	Proponent and/or Preparer	immediately NLT June 2021 (assumption)
Payment of Processing fee and ERF	Proponent and/or Preparer	June 2021
First EIARC Meeting	Case Handler	One week upon payment June 2021
Preparation of invitation and Notice of Public Hearing	Case Handler	June 2021
Posting of Notice of Public Hearing in EMB Website	Case Handler	July 2021
1 <sup>st</sup> Posting in newspaper	Proponent and/or Preparer	July 2021
2 <sup>nd</sup> Posting in newspaper	Proponent and/or Preparer	July 2021
Public Hearing	Case handler, EIARC, Proponent and Preparer	July 2021
Submission of documentation of Public Hearing and Revised EIS	Proponent and/or Preparer	August 2021
Posting of Public Hearing Report and Revised EIS on EMB Website	Case Handler	August 2021
Second EIARC Meeting	Case handler, EIARC, Proponent and Preparer	August 2021
Submission of Final EIS	Proponent and/or Preparer	September 2021
Submission of EIARC Chairman's Report	EIARC Chairman	September 2021
Preparation of Complete Staff Works and Decision Folder	EIA Division Chief, Section Chief and Case Handler	September 2021
Endorsement to Office of the Director the Complete Staff Works and Decision Folder	EIA Division Chief, Section Chief and Case Handler	2021
Endorsement to OSEC for clearance and approval of ECC	Office of the Director	2021

\*\* will depend on the timely submissions of the revised EIS document and payment of fees and fines of the project proponent


**SWORN STATEMENT OF ACCOUNTABILITY OF THE PROPONENT**

This is to certify that all information and commitments in this **Environmental Performance Report and Management Plan** report for the **Philippine Sanjia-Steel Corporation – 600,000 MT Steel Mill Plant Project** are accurate and complete to the best of our knowledge, and that an objective and thorough assessment of the Project was undertaken in accordance with the dictates of professional and reasonable judgement. Should I/we learn of any information which would make this **Environmental Performance Report and Management Plan** report inaccurate, I shall immediately bring the said information to the attention of the DENR-EMB.

I hereby certify that no DENR-EMB personnel was directly involved in the preparation of this **Environmental Performance Report and Management Plan** report other than to provide procedural and technical advice consistent with the guidelines in the DAO 03-30 and EMB MC 2014-005.


We hereby bind ourselves jointly and solidarity to answer any penalty that may be imposed arising from any misrepresentation or failure to state material information in this **Environmental Performance Report and Management Plan**.

In witness whereof, I hereby set my hand this MAY 17 2021 at QUEZON CITY.

  
Zheng Feng Quan  
General Manager  
Philippine Sanjia Steel Corporation

SUBSCRIBED AND SWORN TO before me this MAY 17 2021 2021, affiant exhibiting his/her Community Tax Certificate No./ Passport Number/ Tax Identification Number issued at \_\_\_\_\_ on \_\_\_\_\_.

Doc No. 52  
Page No. 12  
Book No. LXXI  
Series of 2021

  
**ATTY. ROGELIO J. BOLIVAR**  
NOTARY PUBLIC IN QUEZON CITY  
AM Adm. Not. Com. No. NP-124 1-12-19 until 12-31-2020  
Commission Extended until June 30, 2021  
as per SC ENBANC EJA No. 3795 12/1/2020  
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022  
PTR O.R. No. 0695112 D 1/4/21 / TOLL No. 30832 / TIN# 129-871-009  
MCLE No. VI-0029583 valid from 12/10/19 valid until 04/14/22 Quezon City  
Address: 31-F Harvard St. Cubao, Q.C.

# **INFORMATION EDUCATION CAMPAIGN**

## **PHILIPPINE SANJIA-STEEL CORPORATION**

**Brgy. Baluarte, Tagoloan, Misamis Oriental**

**July 23, 2019**

# COMPANY PROFILE: PHILIPPINE SANJIA-STEEL CORPORATION

- Philippine Sanjia-Steel Corporation is a Filipino corporation established in Cagayan de Oro City in 2018. It is a state of the art steel manufacturing and smelting company aimed to serve the local market.
- Although a newly formed corporation, Philippine Sanjia-Steel Corporation is backed by a collaboration of Filipino businessmen and Chinese experts in the field of steel processing. The company employs officers with decades of experience in the Chinese steel industry.



## Project Information

Name of Project	<b>Steel Mill Project with Wharf</b>
Location	Baluarte, Tagoloan, Misamis Oriental
Project Proponent	PHILIPPINE SANJIA-STEEL CORPORATION
Size and Scale	28,000 MTPY steel products to be situated within the 22.5575 hectares
Project Components	Electric Arc Furnace Ladle (Refining) Continuous Casting Water treatment plant Generator set/Emergency power system Compressed Air Station Fuel Storage Smoke Stack Machine shop Fire Protection System





Process Wastewater Treatment Plant (WTP)  
Solid Waste Management  
Hazardous and Toxic Waste management

Load and Unload Cargo  
Wharf (1.2 hecatres)




PHILIPPINE SANJIA-STEEL CORPORATION

## PROPOSED 600,000 MT STEEL MILL PLANT

Baluarte, Tagoloan,  
Misamis Oriental

1




## About Us

Philippine Sanjia-Steel Corporation is a Filipino corporation established in Cagayan de Oro City in 2018. It is a state-of-the-art steel manufacturing and smelting company aimed to serve the local market. Although a newly formed corporation, Philippine Sanjia-Steel Corporation is backed by a collaboration of Filipino businessmen and Chinese experts in the field of steel processing. The company employs officers with decades of experience in the Chinese steel industry.

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## Mission and Vision



- Provide quality construction steel materials such as round bars and steel products to support housing and infrastructure projects in Mindanao Region.
  - This brings an easy access to the development thru the availability of steel products for road and infrastructure projects.
- Introduce advance and state of the art technology in recycling of scrap steel materials that will not contribute to the existing environmental settings and surroundings.
  - The proponent will import scrap metals from japan and would buy from local suppliers in accordance to the plant's standards.
- Brings job opportunities by providing employment to the local community.

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## PROJECT INFORMATION

- Name of Project: Proposed 600,000 MT Steel Mill Plant
- Location: Baluarte, Tagoloan, Misamis Oriental
- Project Proponent: PHILIPPINESANJIA-STEEL CORPORATION
- Size and Scale
- The Steel Mill Plant is located within the 22.5575 hectare leased property from PHIVIDEDEC Industrial Estate.
- ❑ 600,000 MTPY of steel products (round bars) with sizes 10mm, 12mm, 16mm and 20mm.
  - ❑ Wharf for easy load and unload of cargos situated within the 5.8514-hectare foreshore area.



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## PROJECT COMPONENTS

Following are the main components of the project:

- ✓Scrap Warehouse
- ✓Scrap Processing Area
- ✓Rolling Area
- ✓Casting Area
- ✓Staff House
- ✓Product Storage Area
- ✓Admin Building
- ✓Wharf (Loading and Unloading)

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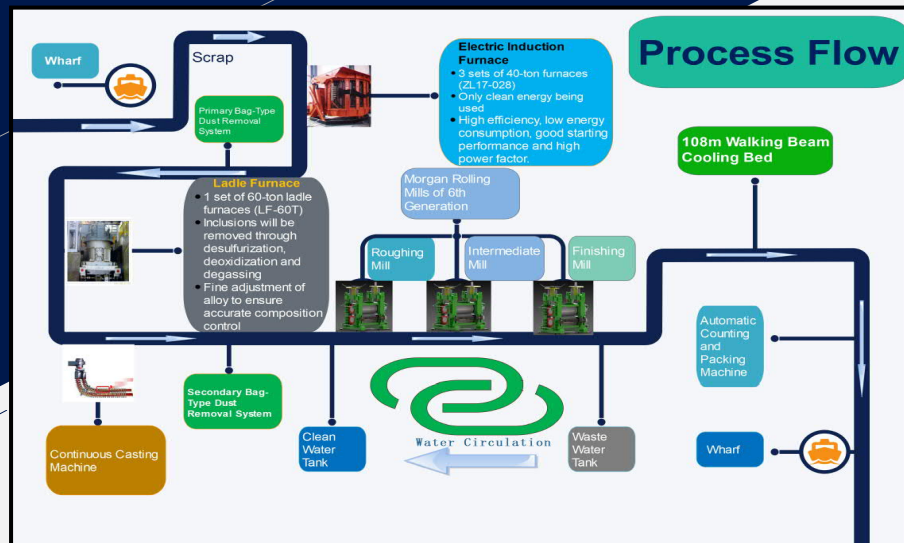


## POLLUTION CONTROL

- ✓Circulating Water Treatment Plant
  - The Direct Cooling System's main users are furnace exit area, roughing mill area, finishing mill area, quenching and flushing.
- ✓Induction Furnace with built-in Dust Removal System
  - it collects dust and effectively controls the dust source to prevent its diffusion, so as to protect the air cleanliness in the operation area; On the other hand, the collected dust-laden air is purified by a dust removal device and discharged into the atmosphere after meeting the emission standard, so as to protect the atmospheric environment from pollution.
- ✓Solid Waste Management
  - Material Recovery Facility (MRF) will be provided for domestic solid waste while scrap bars will be hauled to be used as raw material for the plant operation. Solid Wastes will be properly segregated and disposed.
  - EIF dust collected will be sold to other industries for use as raw materials in bricks, cement, sandblasting or fertilizers.
- ✓Hazardous and Toxic Waste Management

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## SITE DEVELOPMENT PLAN



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8



## ACTUAL PROJECT SITE PHOTOS



TEMPORARY OFFICE BUILDING



ROLLING AND PRODUCT STORAGE AREA

9

9

## ACUTAL PROJECT SITE PHOTOS



ON-GOING CONSTRUCTION OF ADMIN BUILDING



WHARF

10


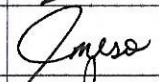




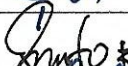





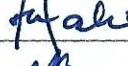

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**Information Education Campaign on  
Steel Mill with Wharf Project by  
Philippine Sanjia-Steel Corporation**

Venue: Barangay Hall, Baluarte, Tagoloan, Misamis Oriental  
July 23, 2019

**ATTENDANCE SHEET**


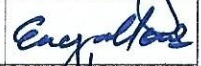








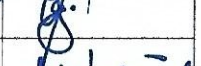



No.	Name of Participant	Company/Position	Contact No./Email	Address	Signature
1	Malapay, Rictly T.			Zone 5 Plot Baluarte	
2	Meso, Client G.			zone 6 A Ilaya	
3	Salcedo, Brian P.			Zone 6A Ilaya	
4	Ragas, Merelyn S.	PNY cargo worker		Zone 6A Ilaya	
5	ABOUT CRISCONCIAO.	DCW		Zone 1 Nabulad Baluarte Tag. Misr.	
6	Jessie B. Porfir			Zone - 6 - B - TFI	
7	Brenda P. Astorga	Zone Under		zone 4	
8	Carmelita R. Sabigon	RTH	0917 874 8595	Zone 6B Baluarte	
9	Epefania S. Saldares	Lupon	09356416375	Z-IV	
10	Maryi S. Pando Li	Lupon		Z-6B	
11	MARIGOLD S. VALISE	LUPON		Z-4	
12	marisa L. Salise	Lupon	09358997470	zone 6-A	
13	NORA P. GENERAL	PSI	0905 9630512	Z-4	
14	Tereita N. Sambar	Z-Under	09352666847	Z-6A	



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No.	Name of Participant	Company/Position	Contact No./Email	Address	Signature
15	Maribelth Dagaba		09050382733	Zone 6A Bal. Tag Mis Or	
16	Magallanes Ellen G.		09353986704	Zone 2A	
17	MYRTLE ROSE		09360319906	Zone - 6B	
18	Estrella Inez		09362104909	Zone - 2A	
19	Harold P. Ragulab		09362514174	Zone 2B	
20	Judy M. Flores		0998070643252	Zone 2B	
21	Jelly Baylin		09555461534	Zone 2B	
22	Annabelle Narvarro		09065539314	Zone 2B	
23	DORONIO L. MYKISIA TR		09068930168	Zone 2-A	
24	Paslot, Gemmahyn M.		09753330992	Zone 6B	
25	Jarah Montecarm		09066724294	Z-6A	
26	Emily Jane Sabejon		09353794136	Z-6A	
27	CORNA R. SALCEDO		09265625741	Z-5	
28	Jannet S. Guipones		09365150773	Z-5	



**Information Education Campaign on  
Steel Mill with Wharf Project by  
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July 23, 2019

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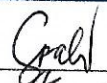
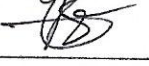
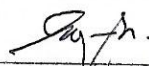
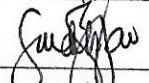
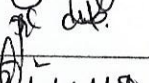
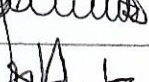
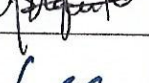

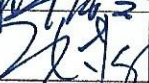

No.	Name of Participant	Company/Position	Contact No./Email	Address	Signature
29	Maricel Salcedo		09977502558	2-5 Baluarte	on balcedo
30	Palmones, Eudicia R		09977502492	2-4 Bal.	Palmones
31	Ramon C. Pagua			2-1 Baluarte	Ramon C. Pagua
32	Cherie T. Abalos		09667042351		Cherie T. Abalos
33	Vinzel B. Zamorro			2-4 Baluarte	Vinzel B. Zamorro
34	MANOLITO LABITA	MRGT KAG.	09061755889	2002 2-A	Manolito Labita
35	RICO R. SALCEDO	BRGY KAG	09260666735	ZONE-5	Rico R. Salcedo
36	XU RYAN DORILAG	BRGY KAG		ZONE-2-A	Xu Rylan Dorilag
37	RUSSEL BABATIDO	ICEC	09171732345	Initao, Mis. Or.	Russel Babatido
38	EVERYN O. BACARES	BRK	0997749045	Zone 3, Baluarte	Everyn O. Bacares
39	KLICE S. VICALME	Bo. Kagawa		Zone 3, "	Klice S. Vicalme
40	JINKY T. CAPE	"	09455460729	Zone 4	Jinky T. Cape



**Information Education Campaign on  
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Venue: Barangay Hall, Baluarte, Tagoloan, Misamis Oriental  
July 23, 2019

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No.	Name of Participant	Company/Position	Contact No./Email	Address	Signature
	FELICISIMA A. LORCA	UTILITY	09169675640	ZONE 1 BALUARTE TAG. MIS. OR.	
	PASTRANA, RUNNA P.		09059208386	ZONE 1, BALUARTE, TAG. MIS. OR.	
	HENRY Y. CABUNOC	MESSENGER	09656602642	ZONE 5, BALUARTE, TAG. MIS. OR.	
	KATHY C. EDHAG	Treasurer	09172471009	Zone- 1, Baluarte TAG. MIS. OR.	
	PSYCHE S. DELA CUESTA	BIO	091061754383	ZONE-09A BALUARTE TAG. MIS. OR.	
	EDEN R. FUNCION	MESSENGER	09057259979	ZONE-3 BALUARTE TAG. MIS. OR.	
	Jelesa P. Revilla	BMS	09358303681	Zone - 1 Baluarte Tag. Mis. Or.	
	Liu Dong hai	Sanjia Steel	09672060201	zone-1 Baluarte, Tagoloan	
	Chen Xiang ling	Sanjia Steel		zone-1, Baluarte, Tagoloan	
	Zhang Dongjian	Sanjia Steel		zone-1, Baluarte, Tagoloan	

















Republic of the Philippines  
Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
Office of the Regional Director  
Region-10, Macabalan, Cagayan de Oro City

**ECC-R10-1901-0003**

**JAN 08 2019**

**MR. ANTONIO LIM**  
**PHILIPPINE SANJIA-STEEL CORPORATION**  
Baluarte, Tagoloan  
Misamis Oriental

Subject: **ENVIRONMENTAL COMPLIANCE CERTIFICATE**

Dear Mr. Lim:

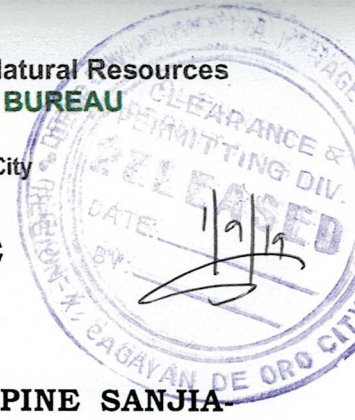
This refers to the Environmental Compliance Certificate (ECC) application for the proposed Steel Mill Plant with Wharf Project located at Baluarte, Tagoloan, Misamis Oriental.

After satisfying the requirements of the said application, this Bureau has decided to grant an ECC for the above-mentioned project.

With the issuance of this ECC, you are expected to implement the measures presented in the Environmental Impact Statement (EIS), intended to protect and mitigate the project's adverse impacts on community health, welfare and the environment. Environmental considerations shall be incorporated in all phases and aspects of the project. You may proceed with the project implementation after securing all the necessary permits from other pertinent Government agencies. This Office will be monitoring the project periodically to ensure your compliance with stipulations cited in the attached ECC.

Please be guided accordingly.

  
**DR. SABDULLAH C. ABUBACAR, CESO IV**  
Regional Director



## ENVIRONMENTAL COMPLIANCE CERTIFICATE

(Issued under Presidential Decree 1586)

**ECC-R10-1901-0003**

THIS IS TO CERTIFY THAT THE PROPONENT, **PHILIPPINE SANJIA STEEL CORPORATION**, represented by **MR. ANTONIO LIM**, is granted this Environmental Compliance Certificate (ECC), for the proposed **STEEL MILL PLANT WITH WHARF PROJECT** located at Baluarte, Tagoloan, Misamis Oriental by the Department of Environment and Natural Resources (DENR), through the Environmental Management Bureau (EMB).

SUBJECT ONLY to the conditions and restrictions set in this ECC and in the attached document labeled as Annexes A and B.

This Certificate is issued with the following details:

### PROJECT DESCRIPTION

*The ECC covers the proposed Steel Mill Plant having an annual capacity of **twenty eight thousand (28,000) metric tons** to be established within the 22.5575 hectare leased property located at Baluarte, Tagoloan, Misamis Oriental, Region 10.*

*The ECC shall also cover the wharf covering a total area of 1.2 hectares*

This Certificate is issued in compliance with the requirements of Presidential Decree No. 1586, and in accordance to DENR Administrative Order (D.A.O.) No. 2003-30. Non-compliance with any of the provisions of this Certificate shall be a sufficient cause for the cancellation of this Certificate and/or imposition of a fine in an amount not to exceed Fifty Thousand Pesos (P50, 000.00) for every violation thereof without prejudice to imposition of fines and penalties under other environmental laws. The EMB-Region 10, however, is not precluded from reevaluating and correcting any deficiencies or errors that may be found after issuance of this Certificate.

Issued at EMB-R10, DENR 10 Compound, Macabalan, Cagayan de Oro City this **JAN 08 2019**.

Recommending Approval:

**ALEX D. JIMENEZ**  
Chief, Clearance &  
Permitting Division

Approved:

**DR. SABDULLAH C. ABUBCAR, CESO IV**  
Regional Director



## SWORN ACCOUNTABILITY STATEMENT

I, **MR. ANTONIO LIM**, Treasurer, **PHILIPPINE SANJIA-STEEL CORPORATION** with address located at Baluarte, Tagoloan, Misamis Oriental, takes full responsibility in complying with all conditions in this Environmental Compliance Certificate (ECC).

  
\_\_\_\_\_  
**MR. ANTONIO LIM**

TIN No. \_\_\_\_\_

Subscribed and sworn before me this **JAN 16 2019**, the above-named  
affiant taking oath presenting \_\_\_\_\_, issued on \_\_\_\_\_  
\_\_\_\_\_ at \_\_\_\_\_.

  
**ATTY. JORGE E. MAGDAONG, JR.**  
**NOTARIAL COMMISSION 2018, 046**  
**UNTIL DEC. 31, 2019**  
**PTR # - 864781 - 1-3-18**  
**IBP # - 1080234 - 1-3-18**  
**ROLL # - 64046**  
**MCLE # - VI-0000770 - SEPT-19-2018**  
**TX # - 947-408-762**

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Book No. LXIV  
Series of 2019

## I. CONDITIONS

**ENVIRONMENTAL MANAGEMENT**

All commitments, mitigating measures and monitoring requirements, contained in the Environmental Impact Statement (EIS) for the proposed *STEEL MILL PLANT WITH WHARF PROJECT* particularly in the Environmental Management Plan/Environmental Monitoring Plan, including any modifications and/or additional information as approved by the EMB-Region 10, shall be instituted to minimize any adverse impact of the project to the environment throughout its implementation, which shall include among others to wit:

1. Conduct an effective Information, Education and Communication (IEC) Program to inform and educate all stakeholders, especially its contractors, workers, and local residents about the mitigating measures embodied in its EIS, the conditions stipulated in this Certificate and the environmental and human safety features of the project for greater awareness, understanding and sustained acceptance of the project. The program shall be submitted to EMB-Region 10 on an annual basis;
2. Submit a Compliance Monitoring Report (CMR) to the EMB-Region 10 on a semi-annual basis;
3. Conduct Tree Planting Activity using endemic/indigenous species to mitigate greenhouse gas (GHG) emissions of the project in line with the DENR's thrust for GHG emissions reduction programs and National Greening Program. The Tree Planting Plan shall be submitted to EMB-Region 10 six (6) months prior to the project implementation;
4. The project proponent shall designate a Pollution Control Officer (PCO) who will handle the environment-related aspects of the project;
5. Odor, noise and dust emission shall be confined within the project area;

**GENERAL CONDITIONS**

6. The plant operations shall conform with the provisions of RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), RA 8749 (Philippine Clean Air Act of 1999), RA 9003 (Ecological Solid Waste Management Act of 2000), and RA 9275 (Philippine Clean Water Act of 2004) and other relevant policies, rules and regulations;
7. The local residents shall be prioritized for employment;
8. Creation of an Environmental Unit (EU) within sixty (60) days from issuance of this Certificate that shall competently handle the environment-related aspects of the project. In addition to the monitoring requirements as specified in the Environmental Management Plan/ Environmental Monitoring Plan;



- 8.1 Monitor actual project impacts vis-à-vis the predicted impacts and management measures in the EIS.
  - 8.2 Ensure that all post-assessment permits/clearances from other concerned government agencies are secured and in place relative to the implementation of the project.
  - 8.3 Submit a quarterly environmental monitoring report using the prescribed format of the Self-Monitoring Report (SMR) pursuant to DAO 2003-27.
  - 8.4 Submit an Abandonment Plan two (2) months prior to the abandonment activities. It shall include rehabilitation measures/clean-up, costs, remediation of areas possibly contaminated with toxic/hazardous substances and presentation of options on proposed alternative projects in the area.
9. The DENR-EMB-10 can initiate an on-the-spot monitoring and inspection anytime without prior notice;

## II. RESTRICTIONS

10. No activities shall be undertaken other than what were stipulated in the Environmental Impact Statement (EIS). Should there be any expansion of the project beyond the project description or any change in the activity or transfer of location shall be subject to a new Environmental Impact Assessment; and
11. In case of transfer of ownership of this project, these same conditions and restrictions shall apply and the transferee shall be required to notify the EMB-Region 10 within fifteen (15) days from the transfer of ownership to allow the necessary changes brought about by such transfer.
12. That the proponent (**PHILIPPINE SANJIA-STEEL CORPORATION** as represented by **Mr. Antonio Lim**) shall be jointly and severally accountable for any misrepresentation and failure to state material information in the submitted documents.

cc: LGU PENRO – Misamis Oriental  
LGU Mayor – Tagoloan  
LGU Brgy. -Baluarte  
File...

Processing Fee...  
O.R. No. *176052*  
Date: *1/9/19*

Php 10,000.00

### PROJECT ASSESSMENT PLANNING TOOL

For the assistance of the Proponent and the Government agencies concerned in the management of the Project and for better coordination in mitigation of the impacts of the Project on its surrounding areas and the environment, and by way of recommendation, forwarding these recommendations to the parties and authorities concerned for appropriate action.

OTHER REGULATORY REQUIREMENTS/CONDITIONS	CONCERNED GOVERNMENT AGENCIES/ENTITIES
1. Compliance with the Sanitation Code of the Philippines;	DOH
2. Compliance with the Labor Code of the Philippines	DOLE – Bureau of working condition
3. Compliance with the Building Code of the Philippines	LGU Concerned
4. Compliance with the Ecological Solid Waste Management Act.	LGU Concerned
ENVIRONMENTAL PLANNING RECOMMENDATIONS FOR THE PROPONENT	
5. Priority of employment shall be given to qualified local residents. Adequate public information for jobs available to local residents in the affected areas shall be provided;	



**ALEX D. JIMENEZ**

Chief, Clearance &  
Permitting Division



**DR. SABDULLAH C. ABUBACAR, CESO IV**

Regional Director





Republic of the Philippines  
**PHIVIDEC INDUSTRIAL AUTHORITY**

*Head Office*

PHIVIDEC Industrial Estate-Misamis Oriental  
MCT Compound, Tagoloan, Misamis Oriental

*Business and Liaison Office*

3rd Floor DAO I Condominium  
Salcedo St., Legaspi Village, Makati City

## *Certificate of Registration*

No. 189

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that the PHIVIDEC Industrial Authority has duly registered

**PHILIPPINE SANJIA-STEEL CORP.**

pursuant to the provisions of PD No. 538 as amended by PD No. 1491 as

### *Processing Firm*

at the PHIVIDEC Industrial Estate – Misamis Oriental (PIE-MO) subject to the representation and commitments set forth in the Application for Registration, the provisions of the above decree, the rules and regulations promulgated thereunder and the terms and conditions of the Registration Agreement.



Attested:

**JOSEPH TALIG. GARAMAY**  
*Board Secretary*

IN TESTIMONY WHEREOF, the seal of the PHIVIDEC Industrial Authority and signature of the Administrator are hereunto affixed.

Given at Tagoloan, Misamis Oriental, Philippines, this 12<sup>th</sup> day of March 2019.

**ATTY. FRANKLIN M. QUIJANO**  
*Administrator*





Republic of the Philippines  
**PHIVIDEC INDUSTRIAL AUTHORITY**  
**PHIVIDEC INDUSTRIAL ESTATE - MISAMIS ORIENTAL**  
Tagoloan, Misamis Oriental

**SECRETARY'S CERTIFICATE**

I, **JOSEPH NEPTALI G. GARAMAY**, of legal age, Filipino, with address at PHIVIDEC INDUSTRIAL ESTATE-MISAMIS ORIENTAL, under oath, state and certify:

1. That I am the Acting Board Secretary of the PHIVIDEC INDUSTRIAL AUTHORITY (PIA), a government instrumentality vested with corporate powers duly organized and existing pursuant to P.D. 538, as amended, with principal office address at Mindanao Container Terminal Administration Building, Tagoloan, Misamis Oriental.

2. That at a meeting of the Board of Directors held at the Board Room, 3<sup>rd</sup> Floor, PHIVIDEC Industrial Authority Makati Business Office, DAO I Building, Salcedo St., Legaspi Village, Makati City on October 9, 2018, the following resolution was passed and approved and is now in full force and effect:

**"BOARD RESOLUTION NO. 2392 s. 2018**

**RESOLVED, to approve the application for registration of Philippine Sanjia Steel Corporation as a Registered Enterprise inside PHIVIDEC Industrial Estate, subject to the submission of duly approved SEC registration documents;**

**RESOLVED, FURTHER, to authorize the Administrator-CEO, Atty. Franklin M. Quijano to sign the Registration Agreement and related documents with Philippine Sanjia Steel Corporation."**

3. That the said resolution has not been revoked, altered, modified or amended, and the same is still in full force and effect.

4. That the foregoing resolution adopted and approved by the Board of Directors is the same as that which appears in the Minute Books of the Corporation which is under my custody.

FURTHER AFFIANT SAYETH NONE.

IN WITNESS WHEREOF, I have hereunto signed these present and affixed the Corporate seal this \_\_\_\_\_.

**JOSEPH NEPTALI G. GARAMAY**  
Acting Board Secretary

SUBSCRIBED AND SWORN to before me this 24 day of Oct 2018 at Tagoloan, Misamis Oriental, Philippines. Affiant exhibited to me his LTO Driver's License No. K02-01-089693.

Doc. No. 1165;  
Page No. 23;  
Book No. 22;  
Series of 2018

**ATTY. CATHYLINE VALDEHERRERA-ALFANTE**  
Notary Public  
Until December 31, 2018  
IBP No. 1080129, 1-4-18  
PTR No. 8641875, 1-4-18  
Roll No. 56122  
TIN No. 944-270-617  
MCLE VI- 0003800  
MIS. OR. CHAPTER

**"CELEBRATE PHILIPPINES 500"**



**CONTRACT OF LEASE  
(LAND)**

This Contract made and entered into by and between:

**PHIVIDEC INDUSTRIAL AUTHORITY (PIA)**, a government instrumentality created and existing pursuant to Presidential Decree No. 538, as amended, with principal office address at the Mindanao Container Terminal, Administration Building, Tagoloan, Misamis Oriental, Philippines, herein represented by its Administrator, **ATTY. FRANKLIN M. QUIJANO**, pursuant to PIA Board Resolution No. 2462 series of 2018 herein attached as **Annex "A"**, hereinafter referred to as the "**LESSOR**";

-and-

**PHILIPPINE SANJIA-STEEL CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Yakal St., Alwana Village, Cugman, Cagayan de Oro City, herein represented by its Corporate Treasurer and Director, **MR. ANTONIO LIM**, as evidenced by its Secretary's Certificate, herein marked as **Annex "B"**, hereinafter referred to as the "**LESSEE**";

**WITNESSETH THAT:**

**WHEREAS**, the LESSOR is empowered and authorized under Presidential Decree No. 538, as amended, to develop, operate, administer and manage an industrial estate known as the PHIVIDEC INDUSTRIAL ESTATE OF MISAMIS ORIENTAL-SPECIAL ECONOMIC ZONE (PIEMO-SEZ), located in the Municipalities of Tagoloan and Villanueva, Province of Misamis Oriental;

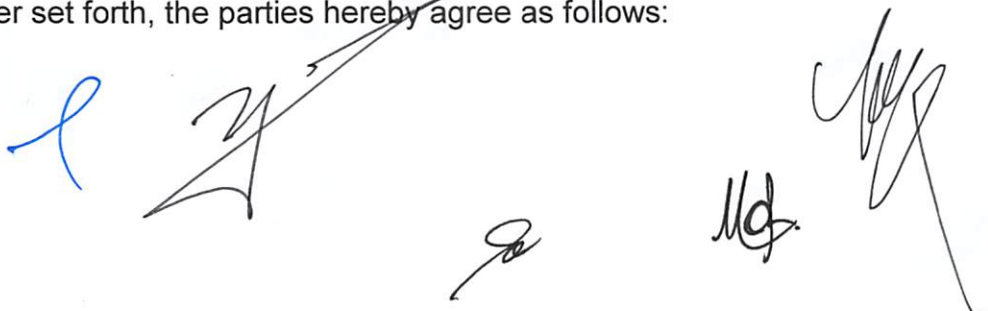
**WHEREAS**, the LESSOR is likewise empowered and authorized by PD 538, as amended, to acquire all lands within the 3,000 hectare industrial estate, and to subsequently lease out portions thereof as deemed necessary and proper by the LESSOR's Board of Directors as it has herein so deemed and authorized;

**WHEREAS**, the LESSOR is the absolute and legal owner of parcels of land, particularly designated as Lot 1, PSU-10-001481 (Portion) and PSU-10-001577, PLS-799 and Lot 157, PLS-779, located at Baluarte, Tagoloan, Misamis Oriental, PHIVIDEC Industrial Estate, Misamis Oriental;

**WHEREAS**, the LESSEE is a duly registered firm pursuant to PIA Board Resolution No. 2392 series of 2018 as a processing enterprise;

**WHEREAS**, the LESSEE seeks to lease portions of Lot 1, PSU-10-001481 (Portion) and PSU-10-001577, PLS-799 and Lot 157, PLS-779, located at Baluarte, Tagoloan, Misamis Oriental, PHIVIDEC Industrial Estate, Misamis Oriental, with a total land area of **TWO HUNDRED TWENTY FIVE THOUSAND FIVE HUNDRED SEVENTY FIVE (225,575 sq.m.)** square meters, more or less and the LESSOR agrees to the lease.

**NOW, THEREFORE**, for and in consideration of the foregoing premises, which are essential conditions and integral parts of this Contract, and the mutual covenants and conditions hereinafter set forth, the parties hereby agree as follows:

The block contains several handwritten signatures in blue and black ink. There are four distinct signatures: one in blue on the left, and three in black on the right, including a large, stylized signature that appears to be 'J. Quijano'.

## I. LEASED PREMISES





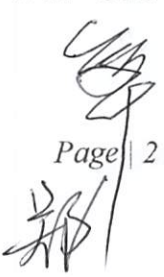
1. The LESSOR hereby leases unto the LESSEE, Portions of Lot 1, PSU-10-001481 (Portion) and PSU-10-001577, PLS-799 and Lot 157, PLS-779, located at Baluarte, Tagoloan, Misamis Oriental, PHIVIDEC Industrial Estate, Misamis Oriental, containing an aggregate area of **TWO HUNDRED TWENTY FIVE THOUSAND FIVE HUNDRED SEVENTY FIVE (225,575 sq.m.)** square meters, more or less, the Sketch Plan with Technical Description of which is hereto attached and marked as **Annexes "C" and "D"** and forming an integral part of this Contract. The said area is hereinafter referred to as the "Leased Premises."
2. The Leased Premises shall be used exclusively by the LESSEE for the **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature.** The said area shall be used for the LESSEE'S own exclusive purpose and other related activities. Conformably thereto, the Leased Premises may not be used for any other purpose without the written consent of the LESSOR.

## II. TERM OF LEASE

1. The term of the lease shall be for a period of **TWENTY FIVE (25) years** and shall take effect **upon execution of this lease contract**, unless sooner terminated as hereinafter provided. **The lease may be renewed for another TWENTY FIVE (25) years at the option of PHILIPPINE SANJIA-STEEL CORPORATION** upon such terms and conditions as may be mutually agreed upon by the parties. Such option shall be exercised in writing by the LESSEE not later than sixty (60) days prior to the expiration/termination of this Contract. The LESSOR shall have the option to pre-terminate this Contract of Lease at anytime on grounds herein provided upon a ninety (90) day prior written notice to the LESSEE.

## III. RENTAL

1. For the use and occupancy of the Leased Premises, the LESSEE shall pay unto the LESSOR a rental of **THIRTY PESOS (P 30.00)** per square meter per year for the land, exclusive of the prevailing VAT rate and Real Property Taxes (RPT), provided that, the RPT on the land shall be adjusted accordingly based on the regular schedule of revision on the assessed value of the land. The corresponding RPT on the structures and improvements to be introduced by LESSEE shall be assessed and collected separately. The lease rate shall be escalated every year at the rate of (five percent) 5% per annum to be applied every three (3) years, and shall be paid by the LESSEE unto the LESSOR not later than every first ten (10) days of the anniversary date of the payment of rental for the first year of the term without need of demand subject to applicable withholding tax. Please refer to **Annex "E"** for the schedule of rates per year per square meter.
2. Upon the execution of this lease, the LESSEE shall pay unto the LESSOR an advance land rental equivalent to ONE (1) YEAR lease rental in the amount of **SEVEN MILLION FIVE HUNDRED SEVENTY NINE THOUSAND THREE HUNDRED TWENTY PESOS (Php7,579,320.00)** inclusive of VAT. Said Advance Rental shall be subject to applicable withholding tax.

  
  
  
  
  
Page | 2



3. Should the LESSEE fail to pay the amount due or any part thereof within the stipulated period, a penalty of two percent (2%) per month of the delay shall be imposed until the amount due is paid. A fraction of a month shall be considered as a full month for purposes of penalty.

#### **IV. TAXES AND CHARGES**

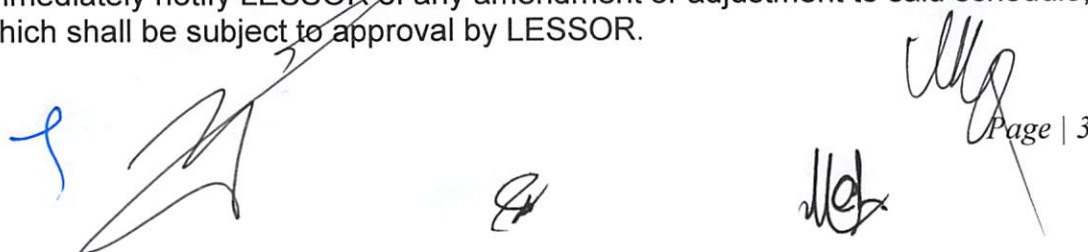
1. All real property taxes (RPT) due on the Leased Premises and on the improvements introduced thereon by the LESSEE shall be for the account of the LESSEE. Also, the LESSEE shall be responsible for all other taxes, fees and charges that may be imposed on the Leased Premises in connection with the business operation of the LESSEE.
2. The documentary stamp tax, and all other similar taxes that may accrue by virtue of this Lease shall be for the account of the LESSEE.

#### **V. LESSOR COVENANTS**

1. The LESSOR warrants that the LESSEE shall have peaceful and quiet possession and enjoyment of the Leased Premises throughout the term of this Contract. The LESSOR represents further that it has the sole, full and unrestricted right over the Leased Premises without any lien, charges or encumbrances on or against the ownership of the Leased Premises.
2. In the event that the LESSEE is deprived of or interrupted in its peaceful and quiet possession and enjoyment of the Leased Premises, except when the deprivation or interruption is through the fault of the LESSEE, the LESSEE without prejudice to the other remedies available under the law, shall have the right to claim reimbursement from the LESSOR of any unused amount paid by the LESSEE under this Contract as well as other expenses incremental to the Lease Agreement.

#### **VI. LESSEE COVENANTS**

1. The LESSEE, during its occupancy of the Leased Premises, shall hold the LESSOR free and harmless from any damage, liability or responsibility to any person or property arising out of or as a consequence of the LESSEE'S use or enjoyment of the Leased Premises.
2. To the extent applicable, the LESSEE shall observe strictly all prevailing laws, rules and regulations imposed by the Republic of the Philippines;
3. Prior to the start of the Construction, the LESSEE must secure an Environmental Compliance Certificate from the Department of Environment and Natural Resources and submit a copy to the LESSOR. The LESSEE must secure a Notice to Proceed from the LESSOR.
4. Upon the execution of this lease, the LESSEE shall submit to LESSOR a schedule of its activities (Pre-Construction, Construction, and start of commercial operations) and shall strictly abide by that schedule. LESSEE shall immediately notify LESSOR of any amendment or adjustment to said schedule, which shall be subject to approval by LESSOR.



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5. The LESSEE shall give priority to hire veterans, retirees of the Armed Forces of the Philippines, or their dependents.
6. The LESSEE shall include waste water treatment facility to prevent siltation of waterways downstream.
7. The LESSEE shall include solid waste facilities for biodegradables and recyclable materials to maintain sanitary upkeep of the project.
8. The LESSEE shall not drill water without permission from LESSOR.
9. The LESSEE shall strictly comply with environmental laws and standards.

## **VII. IMPROVEMENTS**

1. The LESSEE may install at its own account facilities and equipment of every kind, description and character, and undertake such improvements or repairs of the Leased Premises as will be necessary for the operation of its business activities in the said Leased Premises which shall be used as as stipulated under Article I paragraph 2 hereof; PROVIDED, however, that the strength and general structure of the buildings to be constructed in the Leased Premises shall be subject to the applicable provisions of Republic Act No. 7916, otherwise known as the Special Economic Zone Act, as amended by RA 8748 and its implementing rules and regulations, and the pertinent provisions of Presidential Decree No. 1096, otherwise known as the National Building Code of the Philippines as amended by Presidential Decree No. 171-A and such other applicable Board Resolutions of the LESSOR, rules and regulations, circulars, directives and laws governing the issuance of the building and occupancy permits, mechanical or electrical inspections and visitation of the Leased Premises;
2. All immovable and permanent improvements introduced by the LESSEE in the Leased Premises shall, after the expiration of the lease or extension or the pre-termination of this Contract, vest in absolute ownership unto the LESSOR without reimbursement of their value to the LESSEE. For this purpose, immovable or permanent improvements shall refer to everything attached to an immovable property in a fixed manner in such a way that it cannot be removed or separated therefrom without breaking the material or deterioration of the object to which it is attached. It shall likewise refer to those immovable properties enumerated in Article 415 of the New Civil Code of the Philippines.
3. Except as herein provided, only machinery, equipment, inventories, and semi-permanent improvements which are installed therein by the LESSEE may be removed at its own exclusive expense. Semi-permanent improvements include those that can be removed from the Leased Premises without causing any damage to the latter. The LESSEE is hereby granted a reasonable time within which to remove the improvements which shall in no case be more than ninety (90) days from and after the termination or expiration of this Contract or extension thereof, this is without prejudice to LESSOR's right under Article XVII Section 3 and 4 hereof; PROVIDED that the LESSOR shall have a first lien on such machinery or facilities or equipment installed by the LESSEE; PROVIDED FINALLY, that if the Leased Premises be defaced or damaged on the occasion of such removal, the same shall be restored or repaired at the sole and exclusive expense of the LESSEE.
4. In the event the LESSEE fails to remove within the 90-day period the foregoing non-permanent improvements, the LESSOR, at its option, may remove the same and the expenses attendant thereto shall be chargeable against the





LESSEE. However, the LESSEE shall continue to be liable to pay the lease rental until it has completely vacated the premises. All non-permanent improvements, stock-in-trade, inventories, and all items found within leased premises not removed upon the lapse of one (1) year from termination/expiration of the lease, for whatever cause, shall pertain in absolute ownership in favor of LESSOR without prejudice to other legal remedies available to LESSOR.

#### **VIII. SIGNS AND ADVERTISEMENTS**

1. The LESSEE shall use only signs and advertising media as may have been previously approved in writing by the LESSOR. No streamers or any similar advertising signs shall be allowed to be hung on the Leased Premises without prior written consent of the LESSOR.

#### **IX. ACCESS TO LEASED PREMISES**

1. The LESSOR or its duly authorized representative(s) shall have the right to enter and view the conditions of the Leased Premises at reasonable hours and in convenient manner upon prior notice to Lessee for the purpose of enforcing the terms and conditions of this Contract and the pertinent rules and regulations promulgated by the LESSOR.

#### **X. CARE OF LEASED PREMISES**

1. The LESSEE shall at its own expense, maintain the Leased Premises in a clean and sanitary condition, free from noxious odors, disturbing noises and other nuisances. The LESSEE shall likewise keep the Leased Premises and its immediate surrounding vicinity free from environmentally hazardous waste materials, and for this purpose, should maintain a safety waste disposal system.

#### **XI. UTILITIES**

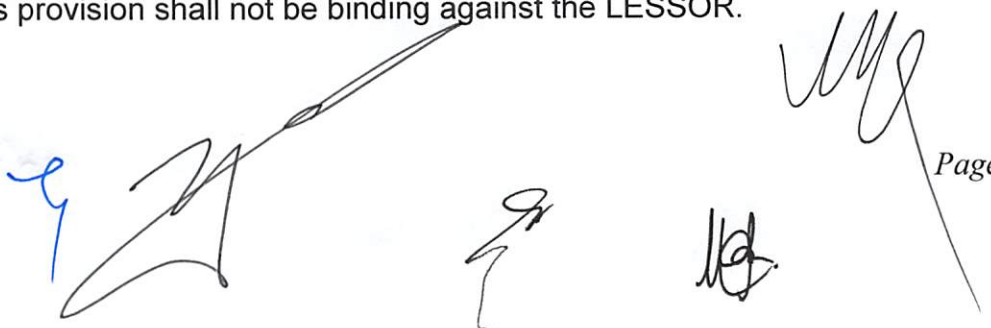
1. The LESSEE shall pay and defray at its own expense the cost of electricity, water, telephone, janitorial services and such other services or utilities as may be employed or consumed by the LESSEE upon the Leased Premises.

#### **XII. PARKING ALONG THE ROADS**

1. The LESSEE shall not be allowed to park its motor vehicles along the roads near the Leased Premises except for loading and unloading purposes.

#### **XIII. ASSIGNMENT AND SUBLETTING**

1. The LESSEE may not assign, transfer or sublease the Leased Premises or any part thereof. Any and all rights and interests accruing to third parties in violation of this provision shall not be binding against the LESSOR.



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#### **XIV. SECURITY OF AREA & PREMISES**

1. The LESSEE shall provide and pay for the services of security guards to secure and protect the Leased Premises against any trespassers or intruders. The LESSOR shall not be liable for any loss or damage suffered by the LESSEE resulting from any theft, robbery and other crimes committed within the Leased Premises.

#### **XV. CUMULATIVE REMEDIES/NON WAIVER**

1. The receipt by the LESSOR of any rent or payment, with or without the knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver of any sum or right hereunder shall be valid unless made in writing and signed by the LESSOR waiving said sum or right. No delay or omission in the exercise of any right or remedy accruing to the LESSOR hereto upon any breach of obligation provided in this Contract shall impair such right or remedy, or be construed as a waiver of any such breach thereafter occurring.

#### **XVI. AMENDMENT OF CONTRACT**

1. This Contract may not thereafter be modified or altered except by mutual agreement reduced in an instrument duly signed by the parties thereto.

#### **XVII. TERMINATION OF LEASE**

1. Among others herein provided, the LESSOR may *motu proprio* terminate this Contract by a written notice upon the happening of any of the following events:
  - a. An affirmative act of insolvency by the LESSEE or the filing by the LESSEE of a petition under any bankruptcy, reorganization, insolvency or moratorium law for relief from debtor;
  - b. The filing of any involuntary petition under any bankruptcy statute against the LESSEE, or the appointment of any receiver or trustee to take possession of the properties of the LESSEE;
  - c. A final judgment by the Courts of Justice or the final decision by the LESSOR that results in the permanent suspension of any permit or license, possession of which is prerequisite to the operation of the LESSEE'S business under applicable laws;
  - d. If the rental herein stipulated, or any part thereof, is not paid by the LESSEE to the LESSOR within three (3) months from the time the same is due;
  - e. If the LESSEE shall at anytime fail or neglect to perform or comply with any of the covenants, conditions, agreements or restrictions herein stipulated.





2. In the event of such termination based on any of the above cases, the premises shall be immediately vacated peacefully by the LESSEE for the LESSOR to hold, enjoy and dispose of and the LESSOR or any person or persons duly authorized on his behalf, may without any formal notice or demand, enter into and occupy said Leased Premises or any part thereof, even in the absence of a court order, and further without prejudice on the part of the LESSOR to exercise any or all rights under this Contract and those provided by law.
3. PROVIDED, FINALLY that if the cause of termination of the Contract includes non-payment of the rentals and other monetary obligations by the LESSEE, the LESSOR *ipso facto* has the authority to sell the machineries, equipment and other properties of the LESSEE to answer for the unpaid financial obligations of the LESSEE. LESSEE hereby constitutes the LESSOR, or its duly authorized representative, as its duly appointed attorney-in-fact with authority to enter and break open the premises and to sell the machineries, facilities, equipment, inventories and stock-in-trade found therein, LESSEE hereby ratifying any and all acts which the attorney-in-fact may do pursuant to said authority. Any excess of such sale, less the cost of sale, shall be refunded by the LESSOR unto the LESSEE. This is without prejudice to other legal remedies available to LESSOR. Further, this is without prejudice to LESSOR's right of ownership provided under Article VII paragraph 4 hereof.
4. The provisions of the immediately preceding paragraph shall equally apply in any case where lease is terminated and the LESSEE has accounts payable to LESSOR.
5. Other causes for termination may include acts of God, or voluntary termination by the LESSEE for cause, provided that in the case of voluntary termination by the LESSEE a six (6)-month prior notice to that effect shall be given to the LESSOR.
6. If the lease will be pre-terminated by the LESSEE for whatever cause, or by the LESSOR for grounds under this Article, the advance rental paid shall be forfeited in favor of the LESSOR. This forfeiture is without prejudice to whatever claims LESSOR may have against the LESSEE.

#### **XVIII. BINDING EFFECT OF CONTRACT**

1. This Contract shall be binding upon the successors, assigns, executors, and administrators of the parties herein.

#### **XIX. MISCELLANEOUS PROVISIONS**

The LESSEE agrees:

1. Not to use or permit the use of the Leased Premises, or any part thereof for any immoral or other purposes prohibited by law;
2. To make efforts to beautify the Leased Premises;
3. To provide for the safe disposal of all waste produced in the Leased Premises;

 Page | 7



4. To give preference in employing veterans, their dependents and/or residents of the Municipalities of Villanueva and Tagoloan on the basis of the Best Qualified Rule subject to existing laws, rules and regulations.

## **XX. SURRENDER OF THE LEASED PREMISES**

1. Upon the expiration, or pre-termination of the term of this Contract, unless extended or renewed, the LESSEE shall surrender and yield quietly and peacefully to the LESSOR the possession of the Leased Premises, including the immovable improvements thereon pursuant to Article VII hereof, in the same condition which they have been found at the beginning of the lease, ordinary wear and tear, reasonable use and other unavoidable losses expected. If the possession of the Leased Premises is not surrendered at the expiration, or pre-termination hereof, the LESSEE shall be responsible to the LESSOR for all damages which the latter may suffer by reason of such delay and will indemnify the LESSOR against any and all claims made by the succeeding occupant against the LESSOR, resulting from the delay of the LESSEE in delivering the possession of the Leased Premises to the LESSOR, so far as the delay is occasioned by the failure of the LESSEE to surrender the Leased Premises on time.

## **XXI. LESSOR EXEMPT FROM LIABILITY**

1. The LESSEE shall keep, save and hold the LESSOR free from any and all liabilities, penalties, losses, damages, costs, expenses, causes of action, claims and/or judgments arising out of or by reason of any injury or liability caused by any person or persons, from any cause or causes whatsoever relating to the operations of the LESSEE'S business during the term of this Contract by obtaining an appropriate insurance with an insurance company as would amply protect both parties herein against any liability arising from its registered operations.

## **XXII. DEFAULT**

1. Any violation or default in the performance of the covenants and obligations set forth in this Contract by the LESSEE shall constitute a ground for the revocation of this Contract without the need of judicial or extra-judicial demand/action if no corrective or remedial measures satisfactory to the LESSOR are instituted within thirty (30) days from written notice of such violation or default. Provided, that the LESSOR shall be entitled to all damages that it may have suffered by reason of such violation or default.

## **XXIII. COST OF SUIT/VENUE OF ACTION**

1. Any problem arising out of this Contract or interpretation of any provision hereof shall be settled amicably, and where amicable settlement fails, the dispute shall be brought for Arbitration in the Philippines according to the provisions of the Republic Act No. 876, otherwise known as the "Arbitration Law."



2. In case of suit or action in court, the party prevailing shall be entitled to recover costs and expenses of litigation and attorney's fees in an amount not less than P 50,000.00.
3. The parties hereto agree that any court action arising out of this Contract shall be filed in the proper Courts of Cagayan de Oro City, exclusively.

#### XXIV. NOTICE

1. Notice required hereunder or by law to be served upon either of the parties shall be in writing and shall be delivered personally or sent by registered mail to the other at its above specified address or to such other address designated by such party in writing. Notice by registered mail shall be deemed completed after five (5) days from receipt of the registry notice.

#### XXV. INTEGRATION BY REFERENCE

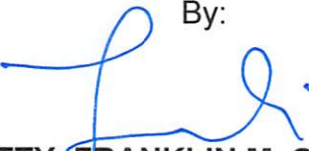
The following shall be deemed incorporated and/or reproduced to form as an integral part of this Lease Contract, to wit:

1. Presidential Decree No. 538, as amended;
2. Implementing Rules and Regulations of P.D. No. 538;
3. PIA Board Resolutions and those that may thereafter be promulgated;
4. PIA circulars, memorandums and directives;
5. Registration Agreement between LESSOR and the LESSEE.

**IN WITNESS WHEREOF**, the parties hereto have signed this 21 January 2019,  
at the MCT Complex, Tagoloan, Misamis Oriental.

#### PHIVIDEC INDUSTRIAL AUTHORITY

By:

  
**ATTY. FRANKLIN M. QUIJANO**  
Administrator/CEO



#### PHILIPPINE SANJIA-STEEL CORPORATION

By:

  
**ANTONIO LIM**  
Corporate Treasurer/Director

SIGNED IN THE PRESENCE OF:

## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
Province of Misamis Oriental ) s.s.  
Municipality of Tagoloan )

BEFORE ME, a notary public for and in the Province of Misamis Oriental, this 21  
January 2019, personally appeared:

**NAME**

**Government Issued ID**

**ATTY. FRANKLIN M. QUIJANO**

I.D. 3 21949 Jan. 19, 2016 –Iligan City

**ANTONIO LIM**


(BIR-TIN) # 939-234-197-000

Known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well as that of the entities they represent.

Said instrument refers to a CONTRACT OF LEASE, consisting of ten (10) pages including this page where this acknowledgment is written, and signed by the parties and their witnesses on each and every page thereof and sealed with my notarial seal.

Witness my hand and seal.

Doc. No. 054;  
Page No. 012;  
Book No. VI;  
Series of 2019.

  
**ATTY. LEZL J. SUICO-GUSAY**  
NOTARY PUBLIC  
NOTARIAL COMMISSION NC-2018-047  
UNTIL DECEMBER 31, 2019  
IBP NO. 1080113 / 01.04.2018 / MISOR  
PTR No. 8641915 / 01.04.2018 - CDO  
ROLL No. 45742 / 01.09.18  
MCLE No. VI-0000322 / 09.29.2018  
Pin # 9520541 - 1/8/19  
IBP - 1/8/19





Republic of the Philippines  
**PHIVIDECA INDUSTRIAL AUTHORITY**  
**PHIVIDECA INDUSTRIAL ESTATE - MISAMIS ORIENTAL**  
Tagoloan, Misamis Oriental

**ANNEX - A**

**SECRETARY'S CERTIFICATE**

I, **JOSEPH NEPTALI G. GARAMAY**, of legal age, Filipino, with address at PHIVIDECA INDUSTRIAL ESTATE-MISAMIS ORIENTAL, under oath, state and certify:

1. That I am the Board Secretary of the PHIVIDECA INDUSTRIAL AUTHORITY (PIA), a government instrumentality vested with corporate powers duly organized and existing pursuant to P.D. 538, as amended, with principal office address at Mindanao Container Terminal Administration Building, Tagoloan, Misamis Oriental.

2. That at a meeting of the Board of Directors held at the Board Room, 2nd Floor, PHIVIDECA Industrial Authority Administration Building, Mindanao Container Terminal Complex, Tagoloan, Misamis Oriental on December 14, 2018, the following resolution was passed and approved and is now in full force and effect:

**"BOARD RESOLUTION NO. 2462 s. 2018**

**RESOLVED**, to approve the proposed area of **Philippine Sanjia-Steel Corporation**, subject to the following conditions:

1. The lease of the 22.6 hectares, more or less, at PhP 30.00 per square meter per year located at Baluarte, Tagoloan, Misamis Oriental;
2. To grant **Philippine Sanjia-Steel Corporation** a lease-free rent for a period of not more than three (3) years;
3. The term of lease is 25 years, renewable for another 25 years at the option of **Philippine Sanjia-Steel Corporation**;

**RESOLVED, FURTHER**, to authorize the Administrator-CEO, Atty. Franklin M. Quijano, to sign the Lease Contract and Registration Agreement between **PHIVIDECA Industrial Authority** and **Philippine Sanjia-Steel Corporation** and related documents."

3. That the said resolution has not been revoked, altered, modified or amended, and the same is still in full force and effect.

4. That the foregoing resolution adopted and approved by the Board of Directors is the same as that which appears in the Minute Books of the Corporation which is under my custody.

FURTHER AFFIANT SAYETH NONE.

IN WITNESS WHEREOF, I have hereunto signed these present and affixed the Corporate seal this December 21, 2018

**JOSEPH NEPTALI G. GARAMAY**  
Board Secretary

SUBSCRIBED AND SWORN to before me this 21 day of Dec 2018 at Tag. Mis. Or., Philippines. Affiant exhibited to me his LTO Driver's License No. K02-01-089693.

Doc. No. 636 ;  
Page No. 008 ;  
Book No. VI ;  
Series of 2018

**ATTY. LEZL J. SUICO-GUSAY**  
NOTARY PUBLIC  
NOTARIAL COMMISSION NC-2018-047  
UNTIL DECEMBER 31, 2019  
IBP No. 1080113 / 01.04.2018 / MISOR  
PTR No. 8641966 / 01.04.2018 - CDO  
ROLL No. 46742 / 05.02.2002  
MCLE No. VI-0000022 / 09.29.2016

**"CELEBRATE PHILIPPINES 500"**

## SECRETARY'S CERTIFICATE

I, JOHN PAUL GONZALES, of legal age, Filipino, with postal address at 69 Ferguson Road Guisad Central BAGUIO CITY, BENGUET, CAR, Philippines, 2600, being the duly elected and qualified Corporate Secretary of Philippine Sanjia-Steel Corporation (the "Corporation"), a domestic corporation duly organized and existing under Philippine laws, with principal offices at Yakal St., Alwana Village, Cugman, Cagayan de Oro City, Philippines, under oath, hereby certify that at the joint special meeting of the Stockholders and the Board of Directors of the Corporation held on 28 September 2018, at which meeting a quorum was present and acting throughout, the following resolutions were, on motion duly made and seconded, unanimously approved and adopted:

"**RESOLVED**, as it is hereby resolved, that the Board of Directors of the Corporation be authorized and empowered to enter into contract with Phividec Industrial Authority for the lease of a parcel of land, with an area of approximately twenty (20) hectares situated at Phividec Industrial Estate in Baluarte, Tagoloan, Misamis Oriental under such price, terms and conditions as the proper officers of the Corporation shall deem to be in the best interests of the Corporation;

"**RESOLVED FURTHER**, that the Corporation hereby authorizes its Treasurer Antonio Lim, to negotiate sign, execute, deliver, receive and receipt for and on behalf of the Corporation, any and all documents, papers, including but not limited to the Registration Agreement, Lease Agreement and such conveyance documents which may be required or necessary to carry out the foregoing resolution."


IN WITNESS WHEREOF, I have hereunto set my hand this 24<sup>th</sup> day of October 2018 at Cagayan de Oro City, Philippines.

  
**JOHN PAUL GONZALES**  
Corporate Secretary

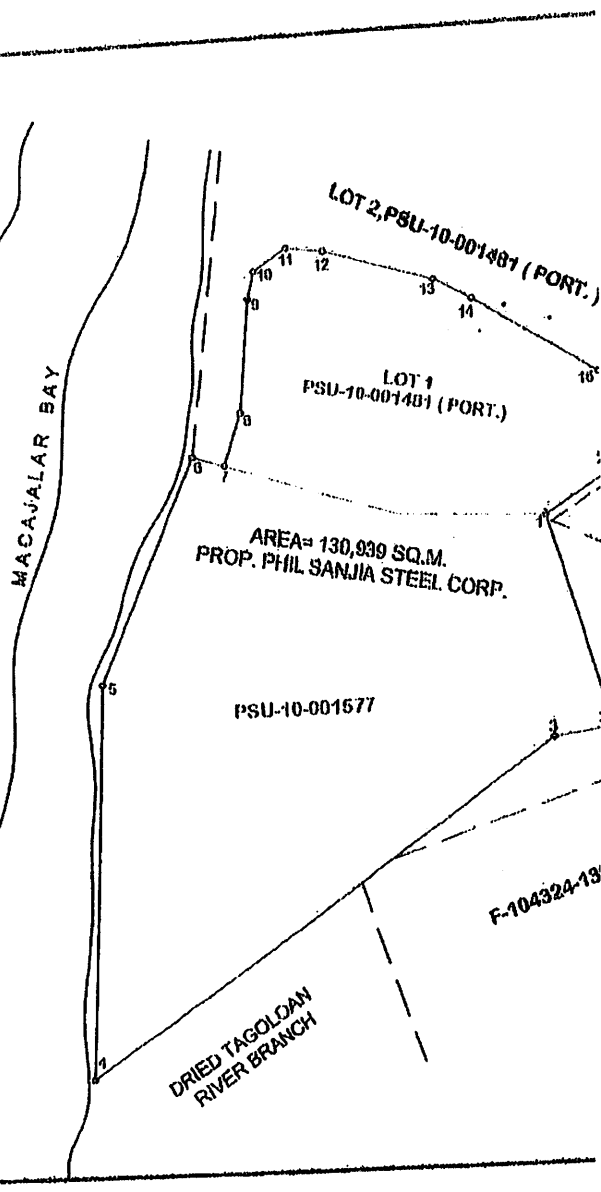
REPUBLIC OF THE PHILIPPINES )  
CAGAYAN DE ORO CITY ) S.S.

**SUBSCRIBED AND SWORN** to before me this 24<sup>th</sup> day of October 2018 affiant exhibiting to me his TIN 939 234 197 000 as his valid proof of Identification.

Doc. No. 331;  
Page No. 67;  
Book No. 24;  
Series of 2018.

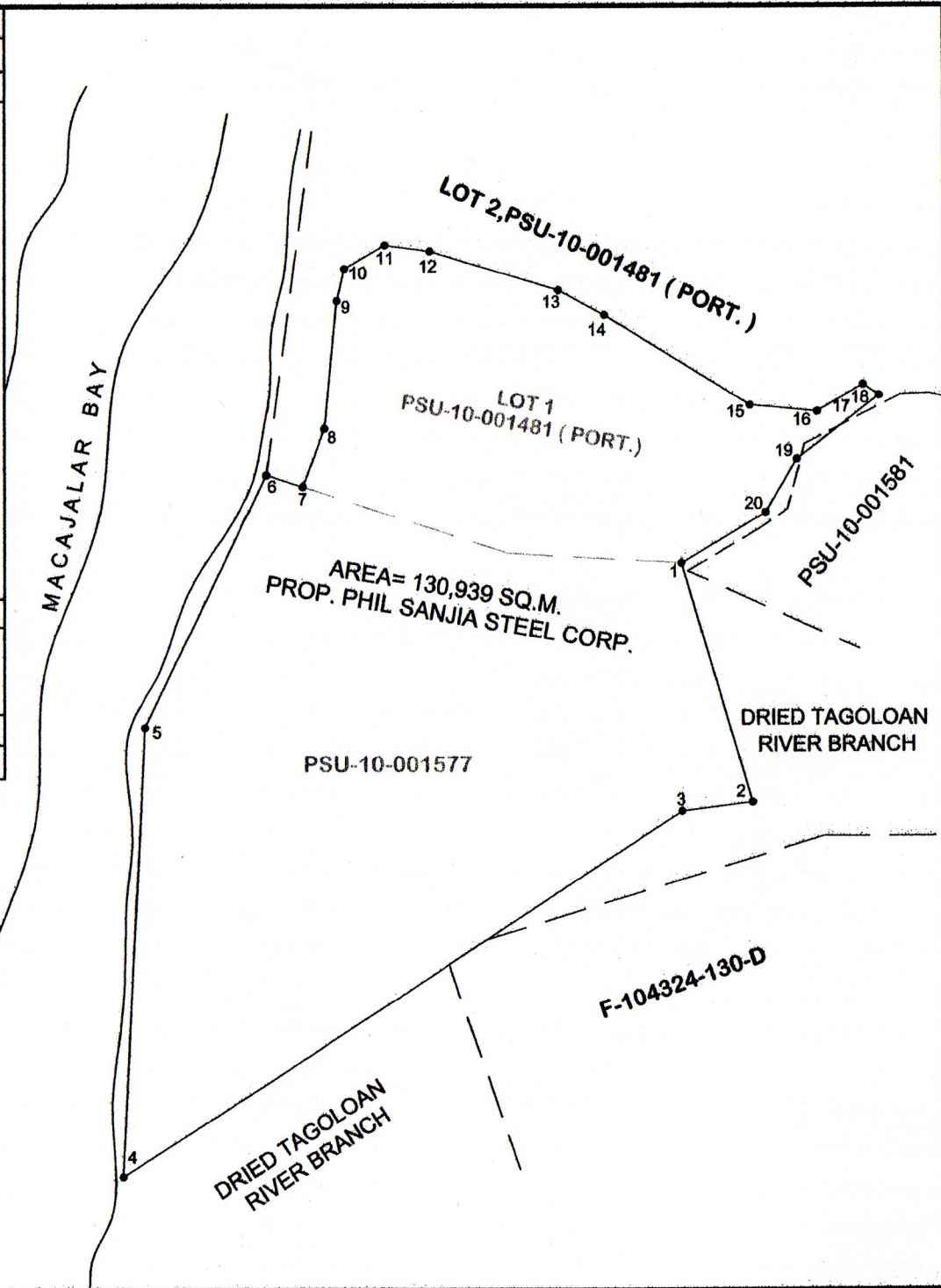
  
ATTY. MARIA LEONITA Q. GO  
NOTARY PUBLIC  
Until 31 December 2019  
PTR No. 3660492; 11 December 2017  
IEP Lifetime No. 27543, Mis. Or. Chapter  
Roll No. 54949

TECHNICAL DESCRIPTION		
BOUNDARY		
LINES	BEARINGS	DISTANCES
1-2	S.16°32'E.	150.38 M.
2-3	S.82°52'W.	43.13
3-4	S.56°53'W.	404.08
4-5	N.02°40'E.	271.86
5-6	N.25°30'E.	168.89
6-7	S.72°05'E.	23.28
7-8	N.20°28'E.	37.58
8-9	N.05°40'E.	77.46
9-10	N.13°51'E.	19.97
10-11	N.59°39'E.	28.29
11-12	S.82°22'E.	27.71
12-13	S.73°16'E.	82.14
13-14	S.61°46'E.	31.81
14-15	S.58°11'E.	103.46
15-16	S.84°36'E.	41.58
16-17	N.00°03'E.	32.61
17-18	S.56°16'E.	11.83
18-19	S.62°40'W.	63.48
19-20	S.31°16'W.	37.85
20-1	S.69°02'W.	59.78
AREA=130,939 SQ.M.		
TIE LINE FROM BLIM"1" PLS-789, TAGOLOAN PUBLIC LAND SUBDIVISION TO COR."1"		
LOT	BEARING	DISTANCE
BDRY.	N.40°17'W.	2,192.03 M.





TECHNICAL DESCRIPTION		
BOUNDARY		
LINES	BEARINGS	DISTANCES
1 - 2	S.16°32'E.	150.36 M.
2 - 3	S.82°52'W.	43.13
3 - 4	S.56°53'W.	404.08
4 - 5	N.02°46'E.	271.86
5 - 6	N.25°30'E.	168.89
6 - 7	S.72°05'E.	23.28
7 - 8	N.20°28'E.	37.58
8 - 9	N.05°48'E.	77.45
9 - 10	N.13°51'E.	19.97
10 - 11	N.59°39'E.	28.29
11 - 12	S.82°22'E.	27.71
12 - 13	S.73°16'E.	82.14
13 - 14	S.61°46'E.	31.81
14 - 15	S.58°11'E.	103.46
15 - 16	S.84°36'E.	41.58
16 - 17	N.60°03'E.	32.61
17 - 18	S.56°16'E.	11.83
18 - 19	S.52°49'W.	63.48
19 - 20	S.31°16'W.	37.65
20 - 1	S.59°02'W.	59.78
AREA=130,939 SQ.M.		
TIE LINE FROM BLLM"1"		
PLS-799, TAGOLOAN PUBLIC		
LAND SUBDIVISION TO COR."1"		
LOT	BEARING	DISTANCE
BDRY.	N.40°17'W.	2,192.03 M.



## SKETCH PLAN OF

LOT 1, PSU-10-001481 ( PORTION )  
PSU-10-001577, PLS-799, TAGOLOAN  
PUBLIC LAND SUBDIVISION

AS PREPARED FOR  
PROP. PHIL SANJIA STEEL CORP.  
( AREA 1 )

SITUATED IN THE

BARRIO OF : BALUARTE  
MUN./CITY OF : TAGOLOAN  
PROVINCE OF : MISAMIS ORIENTAL  
ISLAND OF : MINDANAO

Containing an area of 130,939 sq. m.

BEARINGS TRUE

SCALE 1:4,000 M.

This is to certify that this is true and correct plan

THE PROP. PHIL SANJIA STEEL CORP.

FOR PIA REFERENCE PURPOSES ONLY.

PREPARED BY :

*Dante N. Valdehueza*  
DANTE N. VALDEHUEZA  
CARTOGRAPHER-A

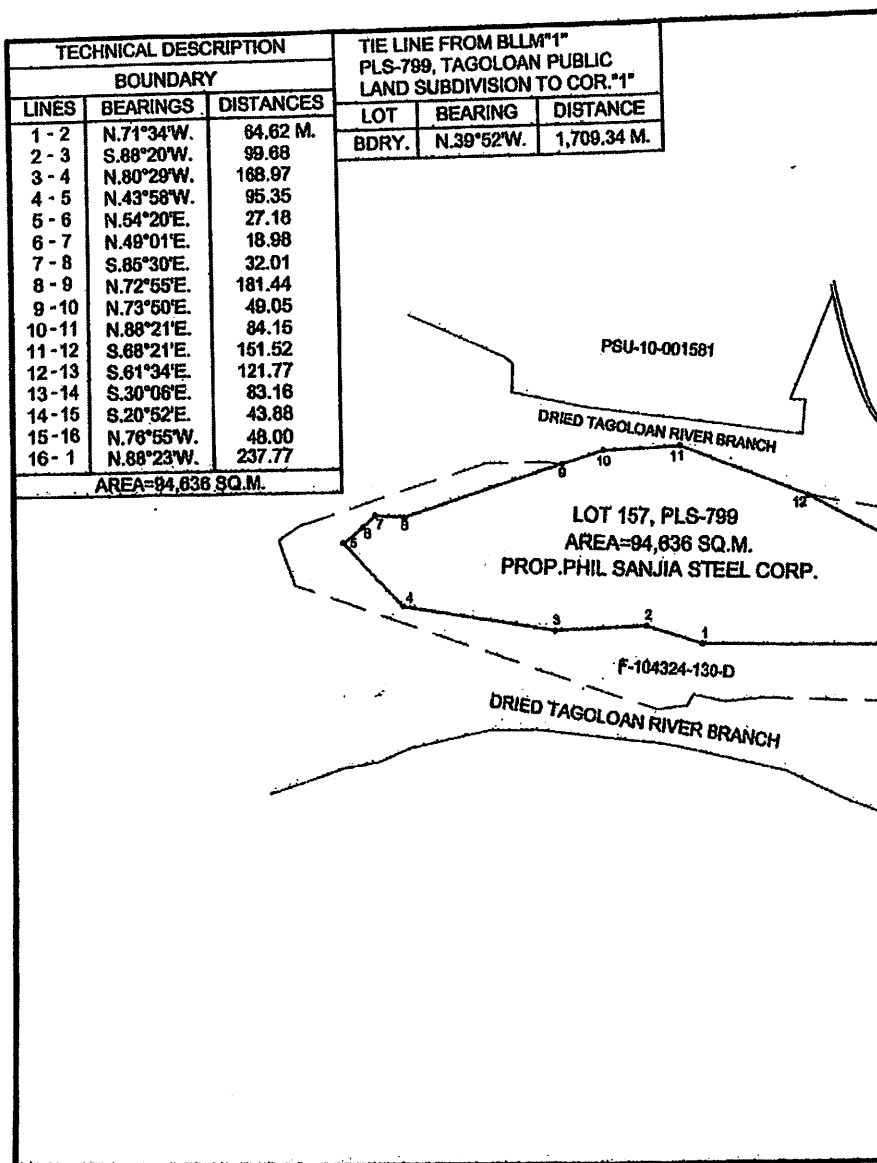
*Leby C. Lingatong*  
LEBY C. LINGATONG  
Geodetic Engineer

5301

Registration Certificate no. & date

NOTE : This is issued upon the request of DM-

DATED NOV. 5, 2018 & for reference not for registration

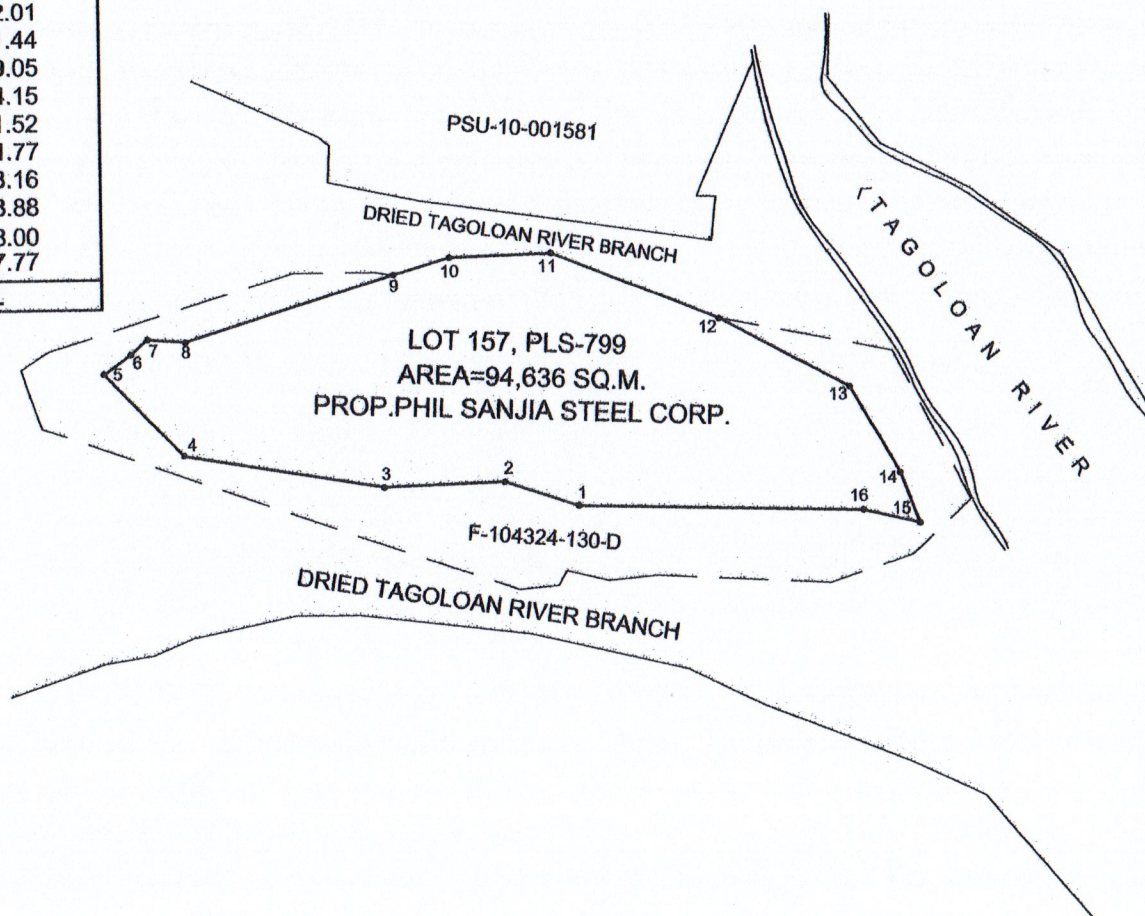




TECHNICAL DESCRIPTION	
BOUNDARY	
BEARINGS	DISTANCES
N.71°34'W.	64.62 M.
S.88°20'W.	99.68
N.80°29'W.	168.97
N.43°58'W.	95.35
N.54°20'E.	27.18
N.49°01'E.	18.98
S.85°30'E.	32.01
N.72°55'E.	181.44
N.73°50'E.	49.05
N.88°21'E.	84.15
S.68°21'E.	151.52
S.61°34'E.	121.77
S.30°06'E.	83.16
S.20°52'E.	43.88
N.76°55'W.	48.00
N.88°23'W.	237.77
AREA=94,636 SQ.M.	

TIE LINE FROM BLLM"1"  
PLS-799, TAGOLOAN PUBLIC  
LAND SUBDIVISION TO COR."1"

LOT	BEARING	DISTANCE
BDRY.	N.39°52'W.	1,709.34 M.



# SKETCH PLAN OF

LOT 157, PLS-799  
TAGOLOAN PUBLIC LAND SUBDIVISION

AS PREPARED FOR  
PROP. SANJIA STEEL CORP.  
( AREA 2 )

SITUATED IN THE

BARRIO OF : BALUARTE  
MUN./CITY OF : TAGOLOAN  
PROVINCE OF : MISAMIS ORIENTAL  
ISLAND OF : MINDANAO

Containing an area of 94,636 sq. m.

BEARINGS TRUE

SCALE 1:6,000 M.

This is to certify that this is true and correct plan of

THE PROP. PHIL SANJIA STEEL CORP.

FOR PIA REFERENCE PURPOSES ONLY.

PREPARED BY:

DANTE N. VALDEHUEZA  
CARTOGRAPHER-A

LEBY C. LINGATONG  
Geodetic Engineer

5301

Registration Certificate no. & date of issue

NOTE : This is issued upon the request of DM-A,CPD

DATED NOV. 5, 2018 & for reference not for registration purpose



PHILIPPINE SANJIA-STEEL CORPORATION

Schedule of Land Lease Rental

Area = 225,575 sq.m.

No.	Period	Rate/sq.m/year	Lease Rental	VAT (12%)	Total Amount
1	2019	Lease- Free Rent per Board Resolution No. 2462 s. 2018			
2	2020				
3	2021				
4	2022	30.00	6,767,250.00	812,070.00	7,579,320.00
5	2023	30.00	6,767,250.00	812,070.00	7,579,320.00
6	2024	30.00	6,767,250.00	812,070.00	7,579,320.00
7	2025	34.73	7,834,219.75	940,106.37	8,774,326.12
8	2026	34.73	7,834,219.75	940,106.37	8,774,326.12
9	2027	34.73	7,834,219.75	940,106.37	8,774,326.12
10	2028	40.20	9,068,115.00	1,088,173.80	10,156,288.80
11	2029	40.20	9,068,115.00	1,088,173.80	10,156,288.80
12	2030	40.20	9,068,115.00	1,088,173.80	10,156,288.80
13	2031	46.54	10,498,260.50	1,259,791.26	11,758,051.76
14	2032	46.54	10,498,260.50	1,259,791.26	11,758,051.76
15	2033	46.54	10,498,260.50	1,259,791.26	11,758,051.76
16	2034	53.88	12,153,981.00	1,458,477.72	13,612,458.72
17	2035	53.88	12,153,981.00	1,458,477.72	13,612,458.72
18	2036	53.88	12,153,981.00	1,458,477.72	13,612,458.72
19	2037	62.37	14,069,112.75	1,688,293.53	15,757,406.28
20	2038	62.37	14,069,112.75	1,688,293.53	15,757,406.28
21	2039	62.37	14,069,112.75	1,688,293.53	15,757,406.28
22	2040	72.20	16,286,515.00	1,954,381.80	18,240,896.80
23	2041	72.20	16,286,515.00	1,954,381.80	18,240,896.80
24	2042	72.20	16,286,515.00	1,954,381.80	18,240,896.80
25	2043	83.58	18,853,558.50	2,262,427.02	21,115,985.52

Advance Rental ₱7,579,320.00 ( equivalent to 1 year advance rental plus 12% VAT)

Prepared by:

  
Mary Jane T. Peras  
PDO-II

Recommending Approval:

  
Divina P. Lagdamen  
Division Manager-A, Corporate Planning Division

Approved by:

  
Atty. Franklin M. Quijano  
Administrator



**LEASE CONTRACT OF  
FORESHORE AND OFFSHORE AREAS**

**KNOW ALL MEN BY THESE PRESENTS:**

This Contract made and entered into by and between:

**THE PARTIES**

**PHIVIDEC INDUSTRIAL AUTHORITY (PIA)**, a government instrumentality created and existing pursuant to Presidential Decree No. 538, as amended, with principal office address at the Mindanao Container Terminal, Administration Building, Tagoloan, Misamis Oriental, Philippines, herein represented by its Administrator, **ATTY. FRANKLIN M. QUIJANO**, pursuant to PIA Board Resolution No. 2521 series of 2019 herein attached as **Annex "A"**, hereinafter referred to as the **"LESSOR"**,

-and-

**PHILIPPINE SANJIA-STEEL CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with address at Baluarte, Tagoloan, Misamis Oriental, herein represented by its President and Director, **MR. ANTONIO LIM**, as evidenced by its Secretary's Certificate, herein marked as **Annex "B"**, hereinafter referred to as the **"LESSEE"**.

**WITNESSETH that:**

**WHEREAS**, LESSOR is the absolute owner of the foreshore and offshore portions of the PHIVIDEC Industrial Estate – Misamis Oriental; ("PIE-MO"), situated at Baluarte, Tagoloan, Misamis Oriental, which is particularly described in the sketch plan attached hereto and made an integral part hereof as **Annex "C"**;

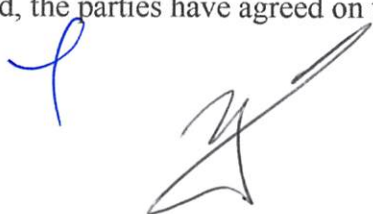
**WHEREAS**, under P.D 538, Section 4 (e), LESSOR has full power and authority to lease the aforementioned area for a consideration and under such terms, arrangement and conditions it may deem reasonable and proper to attain its objective to promote and sustain economic and social growth of the country, as it has so deemed and as authorized by its Board of Directors in relation to this Contract;

**WHEREAS**, the LESSEE is a duly registered estate enterprise of the LESSOR;

**WHEREAS**, in connection with the **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature** in the area and other expansion projects, LESSEE desires to lease, and LESSOR has agreed to lease, the property described in the first Whereas clause above for the purpose of operating a wharf/pier;

**WHEREAS**, LESSEE, is expected to contribute to LESSOR's aforementioned objective of pursuing economic and social growth;

**WHEREFORE**, for and in consideration of the foregoing premises, and the terms and conditions hereinafter stated, the parties have agreed on the following:

The block contains two handwritten signatures in blue ink. The signature on the left is a stylized, cursive 'F' or 'P'. The signature on the right is a more complex, cursive signature, possibly 'A. Lim'.

## TERMS AND CONDITIONS

### 1.0 SCOPE AND AREA OF CONTRACT

- 1.1 This Contract governs the lease by **LESSEE** of the Phase 1 foreshore and offshore areas from the **LESSOR** as described in attached **Annex "C"** with an aggregate area of **FIFTY EIGHT THOUSAND FIVE HUNDRED FOURTEEN SQUARE METERS (58,514 sq.m.)**, more or less.

### 2.0 TERM

- 2.1 **LESSOR** agrees that **LESSEE** intends to use the leased areas for its activities pertinent to its **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature.**

- 2.2 Accordingly, this **CONTRACT** shall commence on the date hereof.

This Contract shall be co-terminous with the Contract of Lease dated 21 January 2019 (hereinafter referred to as the "Main Contract") executed between the **LESSOR** and **LESSEE** and shall be governed by the representations and warranties as contained therein unless clearly indicated otherwise.

In accordance with the terms and conditions of the Main Contract, this contract shall be effective from 21 January 2019 and shall expire on 20 January 2044, renewable at the option of both parties.

### 3.0 TERMINATION OF LEASE

- 3.1 Subject to the provisions in paragraph 4, this Contract may be terminated at the instance of either party under the conditions hereinafter stipulated or by expiration of the term.
- 3.2 **LESSOR** may terminate this contract only for the causes stated hereunder by providing the **LESSEE** with a written notice stating the cause for the termination. Without prejudice to paragraph 4.2 below, this Contract will be deemed terminated upon the lapse of Sixty (60) days from the date that **LESSEE** receives the written notice from **LESSOR**.
- 3.3 If the **LESSEE** commits any act which constitutes a material breach under paragraph 5, and such **LESSEE** fails to correct such material breach pursuant to paragraph 5 or comply with its covenant as stated under paragraph 11.2, provided that if **LESSEE**, within sixty (60) days from the date it receives the written notice from **LESSOR**, corrects the breach or complies with such covenants, no termination shall occur.
- 3.4 **LESSEE** may terminate this Contract only for the causes stated hereunder by providing **LESSOR** with a written notice stating the cause for the termination. Without prejudice to paragraph 3.3.2 below, this Contract will be deemed terminated upon the lapse of sixty (60) days from the date that **LESSOR** receives the written notice from **LESSEE**.





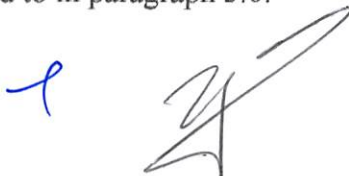
- 3.5 **LESSOR** commits any act which constitutes material breach under paragraph 5 and
- 3.6 Such **LESSOR** fails to correct such material breach or comply with its covenants under paragraph 5, provided that if **LESSOR**, within sixty (60) days from the date that it receives the written notice from **LESSEE**, corrects the breach or complies with such covenants, no termination shall occur.
- 3.7 Other cases for termination may include force majeure, or voluntary termination by **LESSEE** for cause, provided that in case of voluntary termination by **LESSEE**, a six (6) month written notice to that effect shall be given to **LESSOR**.

#### 4.0 EFFECTS OF TERMINATION

- 4.1 If the termination is made by **LESSOR** pursuant to paragraph 3.2, **LESSEE** shall be entitled only to a refund of the security deposit and the unused portion of the rentals paid to **LESSOR** pursuant to Section 6.2, less whatever valid claims **LESSOR** may have against **LESSEE**. The monthly rental is understood to be the amount of the rental for the year under paragraph 6.0 divided by 12. A fraction of less than one (1) year or less than one (1) month, as the case may be, shall be proportionately calculated for the purpose of computing the rental amount to be reimbursed. **LESSEE** shall return the leased areas to **LESSOR** in an "as is, where is basis" free from and clear of any contaminants which are hazardous, radioactive and toxic. Any findings to the contrary shall be cleaned or removed at the expense of **LESSEE** to the satisfaction of **LESSOR**. If **LESSOR** fail or refuses to remove or demolish them at **LESSEE**'s expense, **LESSOR**, in the exercise of its rights under paragraph 8 herein, shall retain all permanent improvements on the leased areas without any right on the part of **LESSEE** to claim for the cost of value of such improvements.
- 4.2 If the termination is made by **LESSEE** pursuant to paragraph 3.3, without prejudice to the other remedies available under the law, **LESSEE** shall be entitled to refund of all security deposits and payments made in accordance with paragraph 6.0 except rentals for months when **LESSEE** used the leased areas provided that the monthly rental is understood to be the amount of rental for a year under paragraph 6.0 divided by 12. A fraction of less than one (1) year or less than one (1) month, as the case may be, shall be proportionately calculated for the purpose of computing the rental amount to be reimbursed. **LESSEE** may remove its properties, movables and improvements except those which shall accrue to **LESSOR** pursuant to paragraph 8.0 hereunder and provided that the removal shall not cause damage to the leased areas. **LESSEE** shall return the leased areas to **LESSOR** in an "as is, where is basis" free and clear of any contaminants which are hazardous, radioactive and toxic.

#### 5.0 BREACH

The failure of either party to comply with the material terms and conditions of this Contract or to perform or observe any or all of such party's covenants herein, including but not limited to any and all other related agreements forming an integral part hereof, constitutes material breach of this Contract which will entitle the other party to the termination referred to in paragraph 3.0.



**6.0 RENTAL**

6.1 For use and occupancy of the leased areas, LESSEE shall pay an annual rental which is exclusive of the prevailing VAT, equivalent to **EIGHT PESOS AND SEVENTY ONE CENTAVOS (PHP 8.71)** per square meter for the first year, escalated at the rate of five percent (5%) per year, the escalation to be applied every three (3) years.

Without prejudice to paragraph 6.2, the stipulated annual rental shall be paid by **LESSEE** at **LESSOR's** office or to any bank designated by **LESSOR** without need of prior demand or notice, within the first ten days of the first month of each year of the lease period – the month of January. Should **LESSEE** fail to pay the amount due or any part thereof within the period stipulated, a penalty of two percent (2%) per month of delay shall be imposed until the amount due is paid. For the purpose of computing the penalty, delay shall be computed on a daily pro-rata basis.

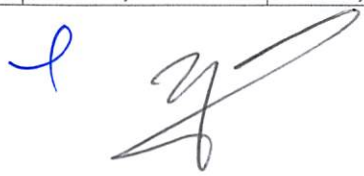
The value added tax (VAT), documentary stamp tax and such other fees the government may exact on this lease when applicable shall be for the account of and paid by **LESSEE**.

6.2 **LESSEE** shall pay, upon the execution of the Contract, FIVE HUNDRED NINE THOUSAND SIX HUNDRED FIFTY SIX PESOS AND NINETY FOUR CENTAVOS (Php 509,656.94) representing one (1) year **SECURITY DEPOSIT** and FIVE HUNDRED SEVENTY THOUSAND EIGHT HUNDRED FIFTEEN PESOS AND SEVENTY SEVEN CENTAVOS (Php 570,815.77) exclusive of Value Added Tax (VAT) representing one (1) year **ADVANCE RENTAL** for the leased areas.

6.3 The security deposit shall be non-interest bearing and shall apply to whatever valid claims **LESSOR** may have against **LESSEE** in cases of pre-termination or upon expiration of the term of this Contract.

6.4 The lease rate shall be escalated at the rate of five percent (5%) per year, the escalation to be applied every three (3) years. For the avoidance of doubt, below is the schedule of escalation of the lease rate for the entire contract period:

Lease Year	Lease Rate (per sq.m. per year)	Rent per annum	Rent per annum with VAT (12%)
1	8.71	509,656.94	570,815.77
2	8.71	509,656.94	570,815.77
3	8.71	509,656.94	570,815.77
4	10.09	590,406.26	661,255.01
5	10.09	590,406.26	661,255.01
6	10.09	590,406.26	661,255.01
7	11.67	682,858.38	764,801.39
8	11.67	682,858.38	764,801.39
9	11.67	682,858.38	764,801.39
10	13.51	790,524.14	885,387.04
11	13.51	790,524.14	885,387.04





12	13.51	790,524.14	885,387.04
13	15.64	915,158.96	1,024,978.04
14	15.64	915,158.96	1,024,978.04
15	15.64	915,158.96	1,024,978.04
16	18.11	1,059,688.54	1,186,851.16
17	18.11	1,059,688.54	1,186,851.16
18	18.11	1,059,688.54	1,186,851.16
19	20.96	1,226,453.44	1,373,627.85
20	20.96	1,226,453.44	1,373,627.85
21	20.96	1,226,453.44	1,373,627.85
22	24.27	1,420,134.78	1,590,550.95
23	24.27	1,420,134.78	1,590,550.95
24	24.27	1,420,134.78	1,590,550.95
25	28.09	1,643,658.26	1,840,897.25

## 7.0 USE OF PREMISES

- 7.1 LESSOR authorizes LESSEE at its own expense, to build, construct, and install in or upon the leased areas the material loading/unloading and handling facilities, fixtures, structures, equipment, building and other improvements as LESSEE may deem necessary, proper and convenient in connection with the requirements of its **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature**, subject to the pertinent rules and regulations of PIA. LESSEE shall submit the appropriate plans for LESSOR'S approval before the commencement of any construction, improvement or demolition activity.
- 7.2 LESSEE shall use the areas leased exclusively in connection with the requirements of its **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature** facilities and other expansion projects. It shall not use or permit the use of the leased areas, or any part thereof, for any purpose contrary to law, morals, good customs and public policy.
- 7.3 LESSEE shall provide for the proper and safe disposal of any and all hazardous toxic wastes or substances within the leased areas with the approval of LESSOR. LESSEE shall observe the provisions and standards regarding environmental waste discharges prescribed by LESSOR or by the appropriate governmental agencies. LESSEE shall confine within its leased areas its waste, raw materials and finished products. LESSEE shall ensure that no foul odor is emitted outside its leased the areas.
- 7.4 LESSEE shall immediately comply with existing and future rules and regulations, prescribed by LESSOR regarding the business of LESSEE, its use and occupancy of the leased areas, including securing from the LESSOR the proper permits, licenses, clearances, and prompt payment of prescribed taxes, fees, and charges imposed by the LESSOR and other offices of the National Government.



- 7.5 **LESSEE** shall not construct buoys near the cargo berth of the Mindanao Container Terminal to give free maneuvering to the port users in the cargo berth;
- 7.6 The use of the offshore and foreshore area should conform to the international standard on navigational aid or international Association on Light Houses Authority (IALA).
- 7.7 In the event that the shoreline area will not be developed by **LESSEE** for its **business activity of steel processing, manufacturing, importing, exporting, buying, selling, or otherwise dealing in at wholesale steel products and other goods of similar nature** or if in the future its envisioned project will not push thru within three (3) years from signing of the Contract, then said Contract shall be terminated and the area will be reverted back to **LESSOR**.

## 8.0 REVERSION OF OWNERSHIP OF IMROVEMENTS

Upon the termination/expiration of the term of this Contract or any renewal hereof, subject to the provision in paragraph 4.1, **LESSEE** shall peaceably surrender possession of the areas leased to **LESSOR** or the latter's duly authorized representative. The permanent facilities that may be introduced by **LESSEE** shall not be taken out by **LESSEE** and shall remain in the leased areas without any obligations on the part of **LESSOR** to pay or refund its value or cost to **LESSEE**. All other facilities, such as but not limited to, unloaders, shiploaders, conveyors, and other material and product handling equipment, and others, may be removed or retained by **LESSEE**.

The abovementioned permanent pier facilities shall likewise accrue to **LESSOR** in case of voluntary termination by **LESSEE** pursuant to Sec. 3.4 hereof.

## 9.0 REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that: (a) it has all the requisite power and authority to enter into and perform this Contract, (b) all necessary actions, corporate or otherwise, for the execution and performance of this Contract and transactions contemplated herein have been duly obtained are in full force and effect, and (c) this Contract constitutes its valid and binding obligation enforceable in accordance with its terms and conditions.

## 10.0 LESSOR COVENANTS

- 10.1 **LESSOR** warrants that it is the absolute owner of, with the sole, full and unrestricted right over the leased areas, without any liens, charges or encumbrances on or against the ownership of the leased areas. **LESSOR** further warrants that **LESSEE** shall have peaceful and quiet possession and enjoyment of the areas leased throughout the term of this Contract. **LESSOR** further agrees to institute such actions and proceedings to defend and quiet title to the leased areas in its name. In the event that **LESSEE** is deprived of or interrupted in its peaceful and quiet possession and enjoyment of the leased areas any time during the term of this Contract, the Parties shall endeavor to negotiate on the terms of settlement, if any, for such amount paid by **LESSEE** under this Contract in accordance with paragraph 6.0 herein corresponding to the period of interruption.





- 10.2 **LESSOR** shall cause the registration of this Contract at **LESSEE's** expense in all government instrumentalities as may now or hereafter be required by law or regulations.

#### 11.0 LESSEE COVENANTS

- 11.1 **LESSEE**, during its occupancy of the areas leased, shall hold **LESSOR** free and harmless from any damage, liability or responsibility, penalty, and/or judgments by reason of any damage or injury to any person or property arising out of or as a consequences of **LESSEE's** use, occupation and control of the leased areas at any time during the term of this lease contract, including those resulting from any work in connection with any construction, alteration, or improvements in the leased areas, except when caused by the express act or negligence of **LESSOR** or its duly authorized agent or representative.
- 11.2 To the extent applicable, **LESSEE** shall observe strictly all prevailing laws, rules and regulations imposed by the Republic of the Philippines.
- 11.3 **LESSEE** shall abide with the other terms and conditions in the approved parameters of the Contract of Lease.

#### 12.0 ASSIGNMENT AND SUBLEASE

- 12.1 **LESSEE** may not assign or transfer any of its rights under this Contract or sublease the leased area, or a portion thereof, without prior written consent of **LESSOR** provided the **LESSOR** shall not withhold such consent unreasonably.

#### 13.0 SECURITY OF AREA AND PREMISES

**LESSEE** shall provide security measures to protect the areas leased and premises against any trespassers or intruder, provided, that **LESSOR** shall not be liable for any loss or damage suffered by **LESSEE** resulting from any theft, robbery and other crimes committed within the areas leased.

#### 14.0 RIGHT OF INSPECTION

**LESSEE** shall allow **LESSOR** or any of the latter's authorized representative access to the leased areas and premises during business hours, even without court order, for any lawful purpose. The same may be deemed necessary pursuant to the latter's management responsibility over the PIE-MO estate and proper observance of the terms and conditions of this Contract.

#### 15.0 TAXES

The lease rental stated in paragraph 6.0 does not cover government tax such as realty tax on permanent improvements or fee which any law or regulation imposes or may impose in the future. **LESSEE** agrees that when the law levies such government tax or fee, this shall be paid by **LESSEE** to **LESSOR**, together with the lease rental and



**LESSOR** will be responsible for forwarding this to appropriate government agency. In no case shall **LESSEE** remit such tax or fee to **LESSOR** after the due date.

**16.0 NON-WAIVER**

The failure of either party hereto to insist or enforce a strict performance of any or all of the terms and conditions of the covenant hereof and other related instruments shall not be deemed or anyway construed as a relinquishment or waiver of any right or remedy such party may have, and shall not affect the validity or enforceability thereof or right of such party to demand performance of such terms and conditions, nor shall be construed as a waiver or any subsequent breach of condition herein contained, which shall be deemed to have been made unless expressed in writing and signed by such party.

**17.0 FORCE MAJEURE**

No party shall be responsible or liable to the other in any manner whatsoever for destruction, damage, losses, injury, delay or deviation from this Contract as a result of force majeure such as typhoon, conflagration, fire, widespread epidemic, earthquake, lightning and other similar natural calamities, or for those events caused by war, rebellion, civil commotion, strikes, lock-outs and industrial disputes, explosion, not directly or indirectly within the control of each party.

**18.0 GOVERNING LAW**

The provisions of this Contract shall be govern in all respects by and construed in accordance with the laws of the Republic of the Philippines.

**19.0 AMICABLE SETTLEMENT/VENUE OF ACTIONS**

Any and all disputes, controversies, and conflicts between the parties in connection with this Contract shall, in so far as practicable, be settled amicably. In case of failure by the parties to reach an amicable settlement, such difference or dispute shall be finally settled through a Board of Arbitrators in accordance with the Procedures of Arbitration of the Arbitration law of the Philippines.

In the event that no amicable settlement is reached by the parties, the action may be brought before the proper courts of Misamis Oriental exclusively.

**20.0 BINDING EFFECT OF CONTRACT**

This Contract shall be binding upon the successors, assigns, executors, and administrators of the parties hereto, provided, the other party is properly notified in writing of such successors, assigns, executors, and administrators before the latter act in such capacities.

**21.0 AMENDMENT OF CONTRACT**

This Contract may not hereafter be modified or altered except by instrument in writing duly signed by the parties hereto.

**22.0 NOTICES**





Any and all notices or other forms of communication required or appropriate to be given under this Contract shall be in writing and shall be personally delivered or transmitted by registered mail, postage pre-paid, at the parties' addresses hereinabove set forth.

### 23.0 DOCUMENTS INCORPORATED

The following documents shall be deemed incorporated by reference to forms as integral parts of this Contract:

1. Presidential Decree No. 538, as amended, as applicable;
2. Rules and Regulations to implement Presidential Decree No. 538, as amended;
3. PIA Certificate of Registration of LESSEE; and
4. Applicable resolutions of the PIA Board pursuant to Presidential Decree No. 538, as amended.
5. Sketch plan of foreshore offshore area containing an area of FIFTY EIGHT THOUSAND FIVE HUNDRED FOURTEEN SQUARE METERS (58,514 sq.m.), more or less.

IN WITNESS WHEREOF, the parties have caused these presents to be signed at \_\_\_\_\_, Philippines, this 24 JUL 2019, 2019.


PHIVIDEK INDUSTRIAL AUTHORITY

By:


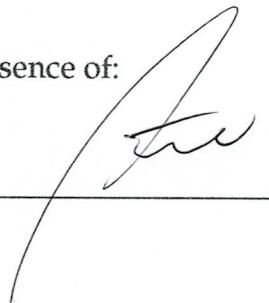
  
ATTY. FRANKLIN M. QUIJANO  
Administrator / CEO 

PHILIPPINE SANJIA-STEEL  
CORPORATION

By:

  
ANTONIO LIM  
President

Signed in the presence of:

 and 

REPUBLIC OF THE PHILIPPINES )  
PROVINCE OF MISAMIS ORIENTAL ) SS  
MUNICIPALITY OF TAGOLOAN )  
X ----- X

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the Province of Misamis Oriental, Philippines, this \_\_\_\_\_ personally appeared:

NAME	GOVERNMENT-ISSUED ID/ COMMUNITY TAX CERT.	DATE / PLACE ISSUED
ATTY. FRANKLIN M. QUIJANO	_____	_____
ANTONIO LIM	_____	_____

known to me to be the same persons who executed the foregoing LEASE CONTRACT OF FORESHORE AND OFFSHORE AREAS and they acknowledged to me that the same is their free and voluntary act and deed and that he is duly authorized to sign, execute and deliver the same.

This instrument consists of ten (10) pages including this page wherein the Acknowledgment is written and all pages are signed/initialed by both parties and their instrumental witnesses.

IN WITNESS WHEREOF, I hereby set my hand and affixed my notarial seal at the plate and on the date first above written.

Doc. No. Nele ;  
Page No. 14 ;  
Book No. 20 ;  
Series of 2019.

ATTY. MARIA LEONITA Q. GO  
NOTARY PUBLIC  
Until 31 December 2019  
PTR No. 080577 ; 10 December 2018  
IBP Lifetime No. 07546, Mis. Or. Chapter  
Roll No. 54949






ANNEX - A

Republic of the Philippines  
**PHIVIDE INDUSTRIAL AUTHORITY**  
**PHIVIDE INDUSTRIAL ESTATE - MISAMIS ORIENTAL**  
Tagoloan, Misamis Oriental

**SECRETARY'S CERTIFICATE**

I, **JOSEPH NEPTALI G. GARAMAY**, of legal age, Filipino, with address at PHIVIDE INDUSTRIAL ESTATE-MISAMIS ORIENTAL, under oath, state and certify:

1. That I am the Board Secretary of the PHIVIDE INDUSTRIAL AUTHORITY (PHIVIDE-IA), a government instrumentality vested with corporate powers duly organized and existing pursuant to P.D. 538, as amended, with principal office address at Mindanao Container Terminal Administration Building, Tagoloan, Misamis Oriental.

2. That at a meeting of the Board of Directors held at the Board Room, 3rd Floor, PHIVIDE Industrial Authority Makati Business Office, DAO 1 Building, Salcedo St., Legaspi Village, Makati City on April 10, 2019, the following resolution was passed and approved and is now in full force and effect:

**"BOARD RESOLUTION NO. 2521 s. 2019**

**RESOLVED**, to approve the Lease of the Foreshore/Offshore Area between PHIVIDE Industrial Authority and Philippine Sanjia-Steel Corporation of a parcel of land consisting of 58,514 square meters (Phase 1), more or less, located at Baluarte, Tagoloan, Misamis Oriental, subject to the following conditions:

- (1) The lease rate of PhP 8.71/square meter/year with an escalation rate of 5% per annum to be applied after three (3) years; and
- (2) The term of the lease is 25 years, renewable upon the option of both parties.

**RESOLVED, FURTHER**, to authorize the Administrator-CEO, Atty. Franklin M. Quijano, to enter and sign the Foreshore/Offshore Contract of Lease between PHIVIDE Industrial Authority and Philippine Sanjia-Steel Corporation and other relevant documents."

3. That the said resolution has not been revoked, altered, modified or amended, and the same is still in full force and effect.

4. That the foregoing resolution adopted and approved by the Board of Directors is the same as that which appears in the Minute Books of the Corporation which is under my custody.

FURTHER AFFIANT SAYETH NONE.

IN WITNESS WHEREOF, I have hereunto signed these present and affixed the Corporate seal this APR 23 2019

**JOSEPH NEPTALI G. GARAMAY**  
Board Secretary

SUBSCRIBED AND SWORN to before me this APR 23 2019 day of 2019 at Tagoloan, Mis. Or., Philippines. Affiant exhibited to me his LTO Driver's License No. K02-01-089693.

Doc. No. 485  
Page No. 01  
Book No. VI  
Series of 2019

**ATTY. FRANKLIN M. QUIJANO**  
NOTARY PUBLIC  
NOTARIAL COMMISSION NO. 2318-047  
UNTIL DECEMBER 31, 2019  
IBP NO. 068227 / 01.12.2019 - MIS OR  
PTR NO. 9520541 / 01.06.2019 MIS OR  
ROLL NO. 45142 / 05.02.2002  
MCLE NO. VI - 0000002 / 09.29.2018

**"CELEBRATE PHILIPPINES 500"**

Tel Nos. PLDT (088) 5670-315; 5670-135; Tele Fax 5670-194  
Website: [www.piamo.gov.ph](http://www.piamo.gov.ph)

I, JOHN PAUL GONZALES, of legal age, Filipino, with postal address at 69 Ferguson Road Guisad Central BAGUIO CITY, BENGUET, CAR, Philippines, 2600, being the duly elected and qualified Corporate Secretary of Philippine Sanjia-Steel Corporation (the "Corporation"), a domestic corporation duly organized and existing under Philippine laws, with principal offices at Yakal St., Alwana Village, Cugman, Cagayan de Oro City, Philippines, under oath, hereby certify that at the joint special meeting of the Stockholders and the Board of Directors of the Corporation held on 28 September 2018, at which meeting a quorum was present and acting throughout, the following resolutions were, on motion duly made and seconded, unanimously approved and adopted:

"RESOLVED, as it is hereby resolved, that the Board of Directors of the Corporation be authorized and empowered to enter into contract with Phividec Industrial Authority for the lease of its offshore/foreshore, with an area of approximately FIFTY EIGHT THOUSAND FIVE HUNDRED FOURTEEN (58,514) square meters situated at Phividec Industrial Estate in Baluarte, Tagoloan, Misamis Oriental under such price, terms and conditions as the proper officers of the Corporation shall deem to be in the best interests of the Corporation;

"RESOLVED FURTHER, that the Corporation hereby authorizes its President Antonio Lim, to negotiate sign, execute, deliver, receive and receipt for and on behalf of the Corporation, any and all documents, papers, including but not limited to the Registration Agreement, Lease Agreement and such conveyance documents which may be required or necessary to carry out the foregoing resolution."

IN WITNESS WHEREOF, I have hereunto set my hand this 27<sup>th</sup> day of April 2019 at Cagayan de Oro City, Philippines.

*[Signature]*  
JOHN PAUL GONZALES  
Corporate Secretary  
*[Signature]*  
Hounded

REPUBLIC OF THE PHILIPPINES  
CAGAYAN DE ORO CITY  
) S.S.

SUBSCRIBED AND SWORN to before me this 27<sup>th</sup> day of April 2019 affiant exhibiting to me his TIN 939 234 197 000 as his valid proof of identification.

*[Signature]*  
ATTY. MARIA LEONIDA O. GO  
NOTARY PUBLIC  
Unit 31 December 2019  
PTR No. 4080677 ; 10 December 2018  
IBP Lifetime No. 07546, Mis. Or. Chapter  
Roll No. 54949



## SKETCH PLAN OF

PORTION OF LOT 3146, PLS-799  
TAGOLOAN PUBLIC LAND SUBDIVISION  
(SWO-10-000429)

AS PREPARED FOR

PROP. PHIL SANJIA STEEL CORP.  
OFFSHORE/FORESHORE

SITUATED IN THE

BARRIO OF : BALUARTE  
MUN./CITY OF : TAGOLOAN  
PROVINCE OF : MISAMIS ORIENTAL  
ISLAND OF : MINDANAO

Containing an area of 105,414 sq. m.

BEARINGS TRUE

SCALE 1:4,000 M.

This is to certify that this is true and correct plan of

PORTION OF LOT 3146, PLS-799, TAGOLOAN PUBLIC LAND  
SUBDIVISION (SWO-10-000429).

FOR PIA REFERENCE PURPOSES ONLY.

PREPARED BY:

*Dante N. Valdehueza*  
DANTE N. VALDEHUEZA  
/ CARTOGRAPHER-A

*Leby C. Lingatong*  
LEBY C. LINGATONG  
PRINCIPAL ENGINEER-D

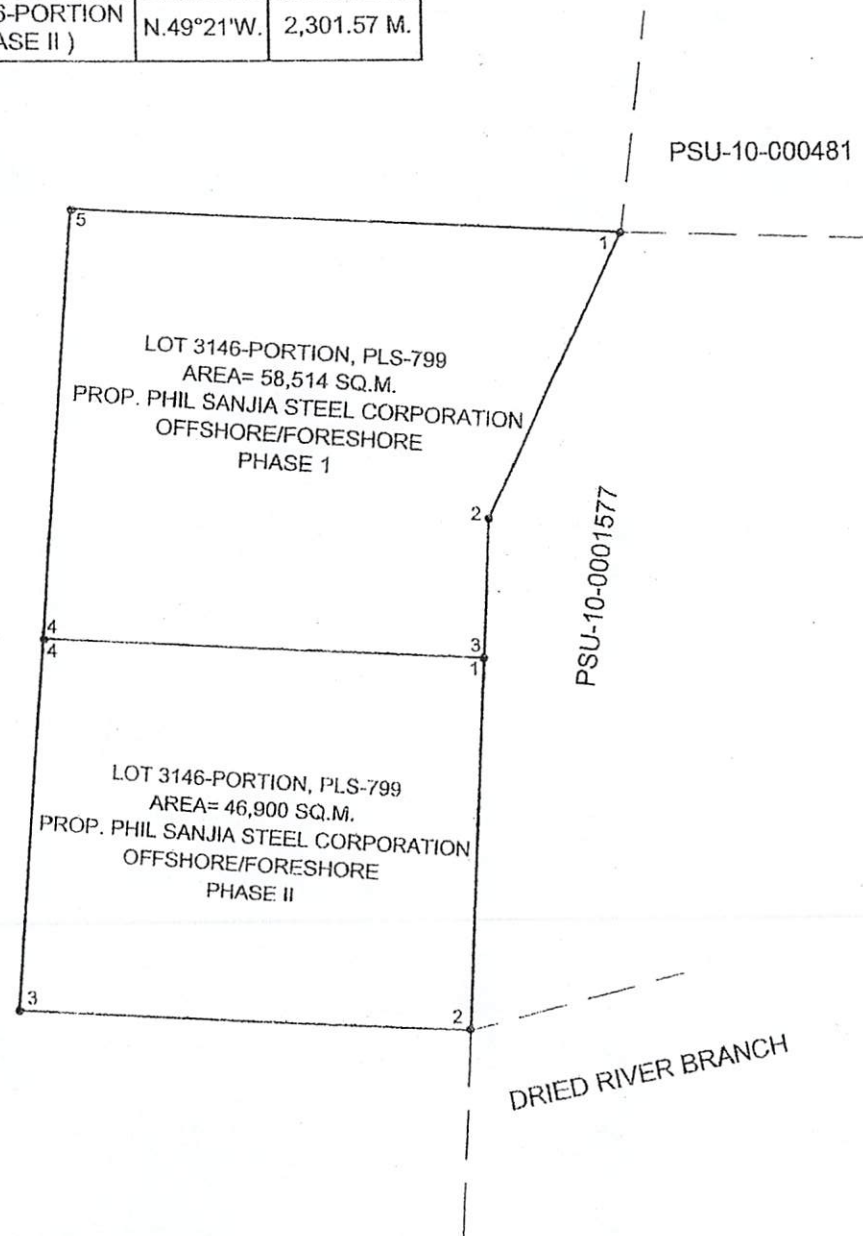
5301 *4/2/19*  
Registration Certificate no. & date of issue

NOTE: This is issued upon the request of DMA, BDD DATED 3/14/19 & PER AMA, EMD  
INSTRUCTION DATED 4/1/19 & for reference not for registration purposes.

TECHNICAL DESCRIPTION		
LOT 3146-PORCION, PLS-799 ( PHASE I )		
LINES	BEARINGS	DISTANCES
1 - 2	S.25°30'W.	168.88 M.
2 - 3	S.02°46'W.	74.18
3 - 4	N.87°14'W.	235.00
4 - 5	N.04°05'E.	230.00
5 - 1	S.87°14'E.	295.00
AREA= 58,514 SQ.M.		
LOT 3146-PORCION, PLS-799 ( PHASE II )		
1 - 2	S.02°46'W.	197.67 M.
2 - 3	N.87°14'W.	239.54
3 - 4	N.04°05'E.	197.72
4 - 5	S.87°14'E.	235.00
AREA= 46,900 SQ.M.		

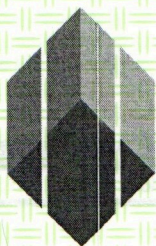
TIE LINE FROM BLLM "1"  
PLS-799, TAGOLOAN PUBLIC  
LAND SUBDIVISION TO COR. "1"

LOT 3146, PLS-799  
SWO-10-000429  
( REM. PORTION )



DRIED RIVER BRANCH





REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**

PICC Secretariat Bldg., PICC Complex  
Pasay City, Metro Manila

**COMPANY REG NO. CS201822695**

**CERTIFICATE OF INCORPORATION**

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By Laws of:

**PHILIPPINE SANJIA-STEEL Corporation**

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation and By Laws in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), and copies of said Articles and By Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to issue, sell or offer for sale to the public, securities such as but not limited to, shares of stock, investment contracts, debt instruments and virtual currencies without a prior Registration Statement approved by the Securities and Exchange Commission; nor to undertake business activities requiring a Secondary License from this Commission such as but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/ financial futures exchange/broker/merchant, financing/lending company, and time shares/club shares/ membership certificate issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute a permit to undertake activities for which other government agencies require a license or permit.

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this Certificate. Failure to submit annual Financial Statements and General Information Sheets within two (2) years from date of incorporation shall be construed that the corporation has not been formally organized and has not commenced the transaction of its business, thus be subject of Suspension Order.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at PICC Secretariat Bldg., PICC Complex Pasay City, Metro Manila, Philippines, this day of 17, October, Twenty Eighteen.

**GERARDO F. DEL ROSARIO**  
Officer-in-Charge  
Company Registration and Monitoring Department





**Republic of the Philippines**  
**SECURITIES AND EXCHANGE COMMISSION**  
PICC Secretariat Bldg., PICC Complex  
Pasay City, Metro Manila  
**CAGAYAN DE ORO EXTENSION OFFICE**

Company Reg. No. CS201822695

**CERTIFICATE OF FILING**  
**OF**  
**AMENDED ARTICLES OF INCORPORATION**  
**TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS:**

**THIS IS TO CERTIFY** that the amended articles of incorporation of the

**PHILIPPINE SANJIA-STEEL Corporation**  
(Amending the Third article thereof)

copy annexed, adopted on **May 4, 2019** by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Cagayan de Oro City, Philippines, this **24<sup>th</sup>** day of **May**, Two Thousand Nineteen.

BY AUTHORITY OF THE COMMISSION:

  
**RENATO V. EGYPTO**  
Director

SEC - Cagayan de Oro Extn. Office



# COVER SHEET

for Application at  
COMPANY REGISTRATION AND MONITORING DEPARTMENT

## Nature of Application

Amended Articles of Incorporation

S.E.C. Registration Number

C S 2 0 1 8 2 2 6 9 5

## Former Company Name

P	H	I	L	I	P	P	I	N	E	S	A	N	J	A	S	T	E	E	L										
C	o	r	p	o	r	a	t	i	o	n																			

## AMENDED TO New Company Name


## Principal Office (No./Street/Barangay/City/Town/Province)

Z	o	n	e		1		B	a	l	u	a	r	t	e		T	a	g	o	l	o	a	n	,	M	i	s	a	m	i
s		O	r	i	e	n	t	a	l	,	R	e	g	i	o	n		X		P	h	i	l	i	p	p	i	n	e	s

## COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

Amending Art. III

## COMPANY PERSON INFORMATION

Name of Contact Person

Email Address

Telephone Number/s

Facsimile Nuber/s

Contact Person's Address

## To be accomplished by CRMD Personnel

Assigned Processor:


Date


Signature


Document I.D.

Received by Corporate Filing and Records Division (CFRD)

Forwarded to:

☐  
☐  
☐  
☐

Corporate and Partnership Registration Division  
 Green Lane Unit  
 Financial Analysis and Audit Division  
 Licensing Unit





Amended  
Articles of Incorporation  
Of

PHILIPPINE SANJIA-STEEL Corporation



KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines;

AND WE HEREBY CERTIFY:

FIRST: That the name of said corporation shall be  
**PHILIPPINE SANJIA-STEEL Corporation**

SECOND: That the primary purpose for which such corporation is incorporated:  
**To engage in manufacturing of steel and iron products**

**Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.**

THIRD: That the principal office of the corporation is located in

**-Zone 1, Baluarte, TAGOLOAN, MISAMIS ORIENTAL, REGION X, Philippines, 9000** (As amended on May 4, 2019)

FOURTH: That the term for which said corporation is to exist is **50** years from and after the date of issuance of the certificate of incorporation;

FIFTH: That the names, nationalities and residences of the incorporators are as follows:

<u>NAME</u>	<u>NATIONALITY</u>	<u>RESIDENCE</u>
Antonio M. Lim	Filipino	-- Yakal Street Cugman CAGAYAN DE ORO CITY (Capital), MISAMIS ORIENTAL, REGION X, Philippines, 9000
PETER YU ONG	Filipino	-- La Guardia Lahug (Pob.) CEBU CITY (Capital), CEBU, REGION VII, Philippines, 6000
FengQuan Zheng	Chinese	125 Guanyang, Chengyang, Fu'an, Fujian, China
JOHN PAUL GONZALES	Filipino	69 Ferguson Road Guisad Central BAGUIO CITY, BENGUET, CAR, Philippines, 2600

AAI	1,050.00	
O.R. No.	6089825	
Date	05/23/2019	



total subscription as follows:

NAME	NATIONALITY	PAID UP CAPITAL	ADDITIONAL PAID-IN CAPITAL	TOTAL AMOUNT PAID	MODE OF PAYMENT
Antonio M. Lim	Filipino	P875,000.00	P0.00	P875,000.00	Cash
PETER YU ONG	Filipino	P375,000.00	P0.00	P375,000.00	Cash
FengQuan Zheng	Chinese	P750,000.00	P0.00	P750,000.00	Cash
JOHN PAUL GONZALES	Filipino	P250,000.00	P0.00	P250,000.00	Cash
Wenjun Xu	Chinese	P250,000.00	P0.00	P250,000.00	Cash
		<u>P2,500,000.00</u>	<u>P0.00</u>	<u>P2,500,000.00</u>	

TENTH: That Antonio M. Lim has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws, and that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions or donations paid or given by the subscribers.

ELEVENTH: That no transfer of stock or interest which will reduce the ownership of Filipino Citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation.

TWELFTH: That the incorporators and directors undertake to change the name of the corporation as herein provided, or as amended thereafter, immediately upon receipt of notice or directive from the Securities and Exchange Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name or contrary to public morals, good custom or public policy.

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation, this  
 day of 13 SEP 2018 20\_\_\_\_, in the City/Municipality of  
GAGAYAN DE ORUGUAY, Province of MISAMIS ORIENTAL, Republic of the Philippines.





Wenjun Xu Chinese 4 Hubin Gardens, 23 Baimabei Road, Gulou District, Fuzhou City, Fujian, China

SIXTH: That the number of directors of the corporation shall be 5; and the names, nationalities and residences of the first directors of the corporation are as follows:

NAME	NATIONALITY	RESIDENCE
Antonio M. Lim	Filipino	-- Yakal Street Cagman CAGAYAN DE ORO CITY (Capital), MISAMIS ORIENTAL, REGION X, Philippines, 9000
PETER YU ONG	Filipino	-- La Guardia Lahug (Pob.) CEBU CITY (Capital), CEBU, REGION VII, Philippines, 6000
FengQuan Zheng	Chinese	125 Guanyang, Chengyang, Fu'an, Fujian, China
JOHN PAUL GONZALES	Filipino	69 Ferguson Road Guisad Central BAGUIO CITY, BENGUET, CAR, Philippines, 2600
Wenjun Xu	Chinese	4 Hubin Gardens, 23 Baimabei Road, Gulou District, Fuzhou City, Fujian, China

SEVENTH: That the authorized capital stock of the corporation is Ten Million Pesos (P10,000,000.00) in lawful money of the Philippines, divided into:

a. TEN MILLION (10,000,000) common voting shares with par value of One Pesos (P1.00) per share;

EIGHTH: That at least twenty five (25%) percent of the authorized capital stock above has been subscribed as follows:

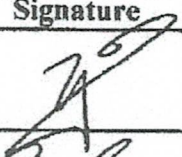
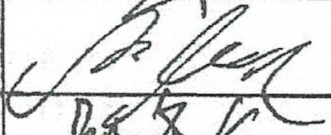
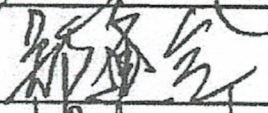
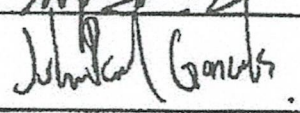
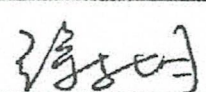
NAME	NATIONALITY	SHARE TYPE	NO. OF SHARES	SUBSCRIBED AMOUNT
Antonio M. Lim	Filipino	Common	875,000	P875,000.00
PETER YU ONG	Filipino	Common	375,000	P375,000.00
FengQuan Zheng	Chinese	Common	750,000	P750,000.00
JOHN PAUL GONZALES	Filipino	Common	250,000	P250,000.00
Wenjun Xu	Chinese	Common	250,000	P250,000.00
			<u>2,500,000</u>	<u>P2,500,000.00</u>

NINTH: That the above-named subscribers have paid at least twenty-five (25%) percent of the





System generated by the  
SEC Company Registration System.

Name	TIN/Passport No.	Signature
Antonio M. Lim	939 234 197 000	
PETER YU ONG	011 840 849 000	
FengQuan Zheng	000 FD5901785	
JOHN PAUL GONZALES	714 643 809 000	
Wenjun Xu	000 G50574856	



## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES }  
} S.S. MISAMIS ORIENTAL

BEFORE ME, a Notary Public, for and in CAGAYAN DE ORO CITY, Philippines, this  
\_\_\_\_\_ day of 13 SEP 2018, 20\_\_\_\_\_, personally appeared the following  
persons:

Name	TIN/ID/Passport No.	Date & Place Issued
Antonio M. Lim	939 234 197 000	Cagayan de Oro City
PETER YU ONG	011 840 849 000	
FengQuan Zheng	000 ED5901785	
JOHN PAUL GONZALES	714 643 809 000	
Wenjun Xu	000 G50574856	

known to me and to me known to be the same persons who executed the foregoing Articles of  
Incorporation constituting of \_\_\_\_\_ pages, including this page where the acknowledgement is  
written, and they acknowledged to me that the same is their free act and voluntary deed.

WITNESS MY HAND AND SEAL on the day first above-written.

  
NOTARY PUBLIC

ATTY. MARIA LEONITA Q. GO  
NOTARY PUBLIC  
Until 31 December 2019  
PTR No. 3660492 ; 11 December 2017  
IBP Lifetime No. 77543, Mis. Or. Chapter  
Roll No. 54949

Doc. No. 399 ;  
Page No. 40 ;  
Book No. 13 ;  
Series of 2018 .

System generated by the  
SEC Company Registration System.



Date:

## DIRECTOR'S CERTIFICATE

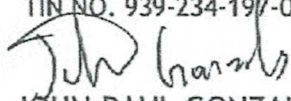
### KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned majority of the Directors and the Corporate Secretary of Philippines Sanjia-Steel Corporation do hereby certify that the Articles of Incorporation of said corporation was amended by a majority vote of the Directors and the vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stocks at a meeting held on 4 May 2019 at the principal office of the corporation.

The amended provisions of the attached Amended Articles of Incorporation refer to the business address of Philippine Sanjia-Steel Corporation which is changed from Yakal Street, Alwana Village, Cugman, Cagayan de Oro City to Zone 1, Baluarte, Tagoloan, Misamis Oriental.

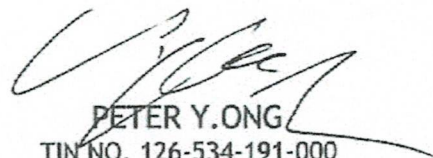
  
ANTONIO LIM

TIN NO. 939-234-197-000

  
JOHN PAUL GONZALES

Corporate Secretary

TIN NO. 714 643 809 000

  
PETER Y. ONG

TIN NO. 126-534-191-000

SECURITIES & EXCHANGE  
COMMISSION  
CAG DE ORD EXT OFFICE  
MAY 23 2019

RECEIVED  
BY: JEANNE E.O. BIBAL

  
JOHN PAUL GONZALES

Corporate Secretary

TIN NO. 714 643 809 000

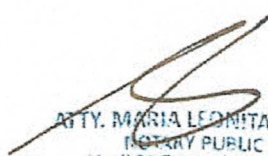
SUBSCRIBED AND SWORN to before me this 17 day of MAY 2019 in CAGAYAN DE ORO CITY by the above-named persons who exhibited to me their Tax Identification Numbers.

Doc. No. 372;

Page No. 75;

Book No. 28;

Series of 2019

  
ATTY. MARIA LEONITA O. GO  
NOTARY PUBLIC  
Until 31 December 2019  
PTR No. 4080577 ; 10 December 2018  
IBP Lifetime No. 07546, Mis. Or. Chapter  
Ikal No. 54949



Republic of the Philippines )  
City of Cagayan de Oro )

SECURITIES & EXCHANGE  
COMMISSION  
CAG DE ORO EXT OFFICE  
MAY 23 2019  
**RECEIVED**  
BY: JEANNE E.O. BIBAL

### SECRETARY'S CERTIFICATE

I, **JOHN PAUL GONZALES**, of legal age, Filipino, with postal address at 69 Ferguson Road Guisad Central BAGUIO CITY, BENGUET, CAR, Philippines, 2600.

1. I am duly elected Corporate Secretary of Philippine Sanjia-Steel Corporation (the Corporation), a corporation duly organized and existing under and by virtue of the Republic of the Philippines, with principal office at Baluarte, Tagoloan, Misamis Oriental.


2. To the best of my knowledge, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or major corporate officers of the Corporation as its duly elected and/or appointed directors or officers or vice versa.

IN WITNESS WHEREOF, I have here unto set my hand on this 07 MAY 2019 day of 2019 in CAGAYAN DE ORO CITY, Philippines

  
**JOHN PAUL GONZALES**  
Corporate Secretary  
TIN NO. 714 643 809 000

SUBSCRIBED AND SWORN to before me this 07 MAY 2019 day of 20 in CAGAYAN DE ORO CITY, Philippines, affiant exhibiting to me his/her \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

Doc. No. 371 ;  
Page No. 75 ;  
Book No. 28 ;  
Series of 2019

  
ALY. MARIA LEONITA Q. GO  
NOTARY PUBLIC  
Until 31 December 2019  
PTR No. 4080677 ; 10 December 2018  
IBP Lifetime No. 07545, Mis. Or. Chapter  
Roll No. 54949



JUL 17 2019

**MR. ZHENG FENG QUAN**

General Manager

Philippine Sanjia Steel Corporation

Baluarte, Tagoloan

Misamis Oriental 9001

SUBJECT:

**NOTICE OF VIOLATION**

Dear Mr. Feng:

Notice is hereby served upon you for having violated the provisions of **P.D. 1586 (Philippine Environmental Impact Statement System) and its Implementing Rules and Regulations (IRR)**. Based on the investigation conducted by this Office on July 9, 2019, it was revealed that your firm has violated the provision of your **Environmental Compliance Certificate (ECC)** bearing Reference No. **ECC-R10-1901-0003** for your Steel Mill Plant with Wharf Project located at the above-cited address.

**ACTS CONSTITUTING THE VIOLATION**

FINDINGS	PROHIBITED ACTS
<ol style="list-style-type: none"><li>1. Failure to conduct an effective IEC Program to inform and educate all stakeholders as required under its ECC Condition No. 1;</li><li>2. Failure to submit Compliance Monitoring Report (CMR) as required under its ECC Condition No. 2;</li><li>3. Failure to conduct Tree Planting Activity and failure to submit Tree Planting Plan six (6) months prior to the project implementation as required under its ECC Condition 3;</li><li>4. Failure to designate Pollution Control Officer (PCO) as required under its ECC Condition No. 4;</li><li>5. Failure to create an Environmental Unit as required under its ECC Condition No. 8;</li><li>6. The on-going construction of wharf</li></ol>	<p><b>Section 9 of P.D. 1586</b></p> <p><i>"Any person, corporation or partnership found violating Section 4 of this Decree, or <u>the terms and conditions in the issuance of the Environmental Compliance Certificate</u>, or of the standards, rules and regulations issued by the National Environmental protection Council pursuant to this Decree shall be punished by the suspension or cancellation of his/its certificate or and/or a fine in an amount not to exceed Fifty Thousand Pesos (P50,000.00) for every violation thereof."</i></p> <p><b>Section 32 (d) of DAO 30 Series of 2003 –</b></p> <p>xxx</p> <p><i>Projects violating ECC Conditions and EMP Commitments and other procedural requirements of the Philippines EIS System.</i></p> <p>xxx</p>



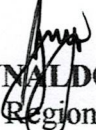
<i>with reclamation exceeded the proponent's project description in violation of ECC Condition No. 10.</i>	
--	--

The foregoing considered, you are hereby required to explain in writing, duly subscribed before a Notary Public, within 10 days from receipt hereof, why you should not be penalized in the maximum amount of Fifty thousand Pesos (P50,000.00) for every violation thereof.

Moreover, you and/or your Pollution Control Officer is/are hereby required to attend a Technical Conference to be held in this Office on July 30, 2014 @ 3PM. Failure to appear or submit your explanation letter duly notarized before a Notary Public shall be construed as waiver of your right to be heard and this Office shall institute appropriate administrative action against you based on the evidence on record. ***Meanwhile, the ECC bearing Reference No. ECC-R10-1901-0003 is hereby ordered suspended in order to prevent further irreparable damage to the environment.***

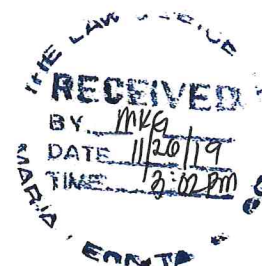
Please be guided accordingly.

Very truly yours,

  
**REYNALDO S. DIGAMO**  
OIC, Regional Director



Republic of the Philippines  
Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
Region 10, Brgy. Macabalan, Cagayan de Oro City 9000  
Telefax NO. (088) 856-9362



**IN THE MATTER OF  
ENVIRONMENTAL IMPACT  
STATEMENT (EIS) SYSTEM  
VIOLATION CASE.**

**DENR-EMB CASE NO. 10-23-  
EIA-0717-19**

*-versus-*

**PHILIPPINE SANJIA STEEL  
CORPORATION** represented by  
Mr. Antonio Lim

For: Violation of P.D.1586 and  
its Implementing Rules and  
Regulations

*Respondent.*

X-----X

## **RESOLUTION**

For resolution of this Office is the Omnibus Motion, dated 30 October 2019, submitted by herein respondent Philippine Sanjia Steel Corporation (PSSC for brevity) seeking reconsideration of our Order, dated 08 August 2019, the dispositive portion of which states:

*"WHEREFORE, respondent is hereby directed to pay the total amount of NINETY THOUSAND PESOS (P90,000.00) within ten (10) days from receipt hereof. This shall be without prejudice to the administrative violations of other environmental laws. Meanwhile, the SUSPENSION of ECC bearing the reference code ECC-R10-1901-0003 is hereby AFFIRMED.*

*In addition, the Environmental Monitoring and Enforcement Division (EMED) is directed to serve this Order immediately.*

*SO ORDERED."*

Respondent is praying for the lifting of the suspension of its ECC, bearing the reference code **ECC-R10-1901-0003** and reduction of the penalties imposed.

Noteworthy, on 02 August 2019, respondent submitted its Position Paper along with its appendices manifesting compliance with the conditions set forth in the ECC and praying for the reduction of penalties.

APD/AIL/RSD



Subsequently, on 26 September 2019, respondent requested to defer the resolution of the said Position Paper and to submit Supplemental Compliance. Hence, this present Motion.

In the said Motion, respondent submitted a Supplemental Compliance, with the Secretary's Certification stating that the PSSC's Board of Directors duly approved the IEC Plan/Framework and the Tree Planting Plan with Work and Financial Plan, showing alleged substantial compliance with the ECC conditions and its commitments. Specifically, the plans and pertinent documents submitted by PSSC are as follows:

1. As regards ECC condition no. 1, on Information, Education and Communication (IEC) Program, PSSC conducted its IEC campaign on 09 July 2019. Albeit belatedly, it substantially complied with the condition nonetheless. In its Position Paper, respondent had submitted proof of undertaking such as the attendance sheet and photos of the activity. In addition, Respondent submitted its IEC Program Plan (attached as its Annex "A") supported by the Secretary's Certificate certifying the approval of the said plan and its corresponding budget in compliance with the twin requirement of undertaking an IEC program and submitting an annual plan.
2. As regards ECC condition no. 3, on tree planting activity and tree planting plan, PSSC has planted 2,500 seedlings in Barangay Baluarte, Tagoloan, Misamis Oriental. Moreover, it has come up with a 5-year Tree Planting Plan with a contract cost of about 1.5 million Pesos. In addition, it submitted its Project Proposal for Greening Program (attached as its Annex "B") with Work and Financial Plan (attached as its Annex "C") for the Durian and Rambutan Species. PSSC has chosen these species not only for its greening effect but also its economic value of providing livelihood to the members of the local community.
3. As regards ECC condition no. 4, on designation of Pollution Control Officer (PCO), PSSC has hired its Pollution Control Officer (PCO) (attached as its Annex "D"), who undergone the necessary PCO training and was duly accredited by this Office.
4. As regards ECC condition no. 8, on the creation of Environmental Unit (EU), PSSC created its Environmental Unit (EU) composed of trained personnel. The EU is composed of the PCO as the head of the unit and an Assistant PCO (attached as its Annex "E"). It also submitted an Organizational Chart of its EU (attached as its Annex "F") with duties and responsibilities; and the qualifications of its personnel (attached as its Annex "G").

5. As regards ECC condition no. 10, on the restriction not to undertake any activities that are not included in the ECC, PSSC asserts that it has not violated said condition since it is stated in the ECC that the same is issued for the construction of a “Steel Mill Plant with Wharf Project”. Further, it asseverates that:
  - a. The mere reclamation of the proposed wharf does not automatically remove the activities of the respondent beyond the scope of activities for which the ECC was issued. Moreover, nowhere in the Lease Contract of Foreshore and Offshore Areas does it say that reclamation of the foreshore areas is prohibited;
  - b. It can be gleaned from PD 538 that the Phividec Industrial Authority (PIA) has the power to reclaim offshore areas and to let these areas to private entities. Consequently, with all due respect to the DENR-EMB, the respondent believed in good faith that the reclamation activities would require the approval of only the PIA.
  - c. With regard to the wharf, the sole limitation specified in the ECC is the area of 1.2 hectares for the wharf, but not the manner of construction. Moreover, whatever reclamation activity the respondent undertook has not exceeded 1.2 hectares. As comprehensively discussed by the respondent in its Position Paper, it leased the foreshore/offshore area of Phividec Industrial Estate (PIE) with a lot area of about **5.8514 hectares** but the area reclaimed for the wharf is only **203 meters** in length and **16 meters** in width, or a total of **3,248 square meters**. That is only a fraction of the allowed area for the wharf under ECC-R10-1901-0003. This is determined in the respondent’s Detailed Engineering Plan.

We now resolve the motion.

After a thorough and meticulous review of all the documents submitted, and the facts and circumstances surrounding this case, we resolve to grant the motion and partially lift the suspension of PSSC’s ECC bearing reference code **ECC-R10-1901-0003**. In granting this motion, this Office finds that:

1. PSSC has substantially complied with ECC condition no. 1. The comprehensive IEC Program for 2019-2020 outlining in detail the intended IEC programs for this period, the attendees, the substance



thereof, and the plan of action therefor, shall guide this Office in determining whether it has complied the IEC requirements. Practically, this will be the basis for compliance to the said ECC condition.

2. PSSC has substantially complied with ECC condition no. 3. In so far as the conduct of tree planting program, PSSC has initially planted 2,500 seedlings in Barangay Baluarte, Tagoloan, Misamis Oriental. Further, in compliance with the other requirement, which is the submission of tree planting plan, PSSC submitted its Project Proposal for Greening Program, a 5-year Tree Planting Plan with a contract cost of about 1.5 Million Pesos. PSSC specifically chose Durian and Rambutan to provide livelihood to the residents. However, respondent shall consider the planting of endemic/indigenous species to mitigate greenhouse gas (GHG) emission which is practically the essence of such ECC condition.
3. PSSC has substantially complied with ECC condition nos. 4 & 8. It shows that respondent has designated an accredited PCO and created an EU, composing of four (4) members, the PCO as its head, two (2) licensed engineers who will still undergo comprehensive training on PCO; and one (1) administrative staff who has completed basic training for PCO.
4. PSSC has substantially complied with ECC condition no. 10. It can be discerned from the detailed Engineering Plan that the Main Wharf has a length of **203 meter** and width of **24 meter** or a total area of **4,872 square meter**. Thus, it did not exceed the **1.2 hectare-limit** stated in the ECC.


On the issue of reduction of penalty, it is moot and academic to resolve the same, since on 09 August 2019, PSSC fully paid the penalty imposed by this Office in connection with the instant case in the total amount of Ninety Thousand Pesos (P90,000.00) under Official **Receipt No. 1797442**.

Finally, this Office takes notice of respondent's argument that Phividec Industrial Authority (PIA) has jurisdiction over foreshore area, and believed in good faith that, under PD 538, it does not need to secure the approval of the DENR. However, the issue of jurisdiction over the foreshore area is beyond the authority of this Office. It may be true that PIA has granted under the aforesaid law the authority to issue foreshore lease to respondent, but it may not necessary mean that DENR is divested of its jurisdiction over the foreshore area and no foreshore lease agreement shall be secured from that Office. Nonetheless, this Office would like to converse with the DENR on the veracity of such claim.

WHEREFORE, premises considered, the Order suspending PSSC's ECC, bearing the reference code ECC-R10-1901-0003 is hereby **LIFTED**. However, no further construction and development of the wharf shall be undertaken. Such suspension of work of the Wharf Project shall only resume upon receipt of the position of the DENR that it has no jurisdiction over the Phividec foreshore area and that no foreshore lease agreement shall be secured from them for the use thereof. Further, respondent is hereby ordered not to take any expansion of the project which is not covered by the existing ECC.

SO ORDERED.

Done this 25<sup>th</sup> day of November 2019, at Cagayan de Oro City.

  
**REYNALDO S. DIGAMO**  
OIC, Regional Director

CC:

1. **ARLEIGH J. ADORABLE, CESO III**  
*Regional Executive Director, DENR 10*  
*DENR Compound, Macabalan, Cagayan de Oro City*
2. **ATTY. FRANKLIN M. QULIANO**  
*PHIVEDIC Industrial Authority*  
*Tagoloan, Misamis Oriental*





Republic of the Philippines  
**PHIVIDE INDUSTRIAL AUTHORITY**  
**PHIVIDE INDUSTRIAL ESTATE - MISAMIS ORIENTAL**  
MCT Complex, Tagoloan, Misamis Oriental

**CERTIFICATION**

**TO WHOM IT MAY CONCERN:**

This is to certify that **PHILIPPINE SANJIA-STEEL CORPORATION** is a registered Manufacturing/Processing Estate Enterprise of the PHIVIDE Industrial Authority (PIA) since October 9, 2018.

This is to certify further that the area leased by **PHILIPPINE SANJIA-STEEL CORPORATION** located in Baluarte, Tagoloan is inside the PHIVIDE Industrial Estate in Misamis Oriental – Special Economic Zone (PIEMO-SEZ) and **this lot is classified as an Industrial Area.**

This certification is issued upon the request of **PHILIPPINE SANJIA-STEEL CORPORATION** for its Environmental Compliance Certificate (ECC) application with the Department of Environment and Natural Resources (DENR).

Given this 4<sup>th</sup> of July 2019 in the PHIVIDE Industrial Authority, Administration Building, Tagoloan, Misamis Oriental.

**ATTY. FRANKLIN M. QUIJANO**  
Administrator/CEO



F.A.S.T. Laboratories – CDO  
Lapasan Hi-way corner Camp Alagar Road CDO City

Reference No. **CD2001-0127**

Page 1 of 7

## TEST REPORT

CUSTOMER : PHILIPPINE SANJIA STEEL CORP.  
ADDRESS : Baluarte, Tagoloan, Misamis Oriental  
SAMPLE(S) SUBMITTED : SURFACE WATER  
SAMPLE CODE : CD2001-0127-01  
DATE / TIME OF SAMPLING : 08 January 2020 / 1:34 PM (By Customer)  
DATE / TIME RECEIVED : 08 January 2020 / 3:30 PM  
DATE ANALYZED : 08 – 28 January 2020  
ANALYZED BY : J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA,  
K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT  
DATE REPORTED : 28 January 2020

Parameters	Results	Test Method
	RWS1-Tagoloan River Upstream	
pH / Temperature	8.09 @ 18.6 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	19	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	11	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	1	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \*- Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

*J.A.M. GEZAR, RCh*  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

*M.L.S. MENDOZA, RCh*  
Laboratory Business Manager  
Chem. Reg. No. 08239



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Lapasan Hi-way corner Camp Alagar Road CDO City

Reference No. **CD2001-0127**

Page 2 of 7

## TEST REPORT

CUSTOMER : PHILIPPINE SANJIA STEEL CORP.  
ADDRESS : Baluarte, Tagoloan, Misamis Oriental  
SAMPLE(S) SUBMITTED : SURFACE WATER  
SAMPLE CODE : CD2001-0127-02  
DATE / TIME OF SAMPLING : 08 January 2020 / 1:38 PM (By Customer)  
DATE / TIME RECEIVED : 08 January 2020 / 3:30 PM  
DATE ANALYZED : 08 – 28 January 2020  
ANALYZED BY : J.A. CLEMEÑA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA,  
K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT  
DATE REPORTED : 28 January 2020

Parameters	Results	Test Method
	RWS2-Tagoloan River Midstream	
pH / Temperature	8.18 @ 18.6 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	83	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	5	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	2	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \*- Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

*J.J.M. GEZAR, RCh*  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

*M.L.S. MENDOZA, RCh*  
Laboratory Business Manager  
Chem. Reg. No. 08239



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Lapasan Hi-way corner Camp Alagar Road CDO City

Reference No. **CD2001-0127**

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## TEST REPORT

CUSTOMER	: PHILIPPINE SANJIA STEEL CORP.
ADDRESS	: Baluarte, Tagoloan, Misamis Oriental
SAMPLE(S) SUBMITTED	: SURFACE WATER
SAMPLE CODE	: CD2001-0127-03
DATE / TIME OF SAMPLING	: 08 January 2020 / 1:45 PM (By Customer)
DATE / TIME RECEIVED	: 08 January 2020 / 3:30 PM
DATE ANALYZED	: 08 – 28 January 2020
ANALYZED BY	: J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA, K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT
DATE REPORTED	: 28 January 2020

Parameters	Results	Test Method
	RWS3-Tagoloan River Downstream	
pH / Temperature	8.13 @ 19.3 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	17	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	3	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	2	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \* - Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

*[Signature]* 28 Jan 2020  
**J.I.M. CEZAR, RCh**  
 Laboratory Supervisor  
 Chem. Reg. No. 13360

APPROVED BY:

*[Signature]* 28 Jan 2020  
**M.L.S. MENDOZA, RCh**  
 Laboratory Business Manager  
 Chem. Reg. No. 08239



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Reference No. **CD2001-0127**

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## TEST REPORT

CUSTOMER	: PHILIPPINE SANJIA STEEL CORP.
ADDRESS	: Baluarte, Tagoloan, Misamis Oriental
SAMPLE(S) SUBMITTED	: SEA WATER
SAMPLE CODE	: CD2001-0127-04
DATE / TIME OF SAMPLING	: 08 January 2020 / 2:01 PM (By Customer)
DATE / TIME RECEIVED	: 08 January 2020 / 3:30 PM
DATE ANALYZED	: 08 – 28 January 2020
ANALYZED BY	: J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA, K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT
DATE REPORTED	: 28 January 2020

Parameters	Results	Test Method
	SWS1-Sea Water Sampling Station 1	
pH / Temperature	8.22 @ 20.5 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	128	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	4	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	2	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \*- Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

*J.J.M. CEZAR, RCh*  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

*M.L.S. MENDOZA, RCh*  
Laboratory Business Manager  
Chem. Reg. No. 08239

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Reference No. CD2001-0127

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## TEST REPORT

CUSTOMER : PHILIPPINE SANJIA STEEL CORP.  
ADDRESS : Baluarte, Tagoloan, Misamis Oriental  
SAMPLE(S) SUBMITTED : SEA WATER  
SAMPLE CODE : CD2001-0127-05  
DATE / TIME OF SAMPLING : 08 January 2020 / 2:09 PM (By Customer)  
DATE / TIME RECEIVED : 08 January 2020 / 3:30 PM  
DATE ANALYZED : 08 – 28 January 2020  
ANALYZED BY : J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA,  
K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT  
DATE REPORTED : 28 January 2020

Parameters	Results	Test Method
	SWS2-Sea Water Sampling Station 2	
pH / Temperature	8.45 @ 20.3 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	20	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	5	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	5	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \*- Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

J.I.M. CEZAR, RCh  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

M.L.S. MENDOZA, RCh  
Laboratory Business Manager  
Chem. Reg. No. 08239



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Page 6 of 7

## TEST REPORT

CUSTOMER : PHILIPPINE SANJIA STEEL CORP.  
ADDRESS : Baluarte, Tagoloan, Misamis Oriental  
SAMPLE(S) SUBMITTED : SEA WATER  
SAMPLE CODE : CD2001-0127-06  
DATE / TIME OF SAMPLING : 08 January 2020 / 2:13 PM (By Customer)  
DATE / TIME RECEIVED : 08 January 2020 / 3:30 PM  
DATE ANALYZED : 08 – 28 January 2020  
ANALYZED BY : J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA,  
K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT  
DATE REPORTED : 28 January 2020

Parameters	Results	Test Method
	SWS3-Sea Water Sampling Station 3	
pH / Temperature	8.22 @ 20.5 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	130	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	5	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	2	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \*- Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

*28 Jan 2020*  
**J.I.M. CEZAR, RCh**  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

*28 Jan 2020*  
**M.L.S. MENDOZA, RCh**  
Laboratory Business Manager  
Chem. Reg. No. 08239



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Reference No. CD2001-0127

Page 7 of 7

## TEST REPORT

CUSTOMER : PHILIPPINE SANJIA STEEL CORP.  
ADDRESS : Baluarte, Tagoloan, Misamis Oriental  
SAMPLE(S) SUBMITTED : SEA WATER  
SAMPLE CODE : CD2001-0127-07  
DATE / TIME OF SAMPLING : 08 January 2020 / 2:20 PM (By Customer)  
DATE / TIME RECEIVED : 08 January 2020 / 3:30 PM  
DATE ANALYZED : 08 – 28 January 2020  
ANALYZED BY : J.A. CLEMENA, J.C. ANTINERO, A.T. BACLAO, M.H. MUSAMA,  
K.B. QUISIL, C.O. PONFERRADA, L.G. DALAGUIT  
DATE REPORTED : 28 January 2020

Parameters	Results	Test Method
	SWS4-Sea Water Sampling Station 4	
pH / Temperature	8.08 @ 21.1 °C	4500 H+ B. Electrometric Method
Chemical Oxygen Demand, mg/L	321	5220 B. Modified Open-Reflux Method
Total Suspended Solids, mg/L	7	2540 D. Gravimetric, Dried at 103 – 105 °C
Oil and Grease, mg/L	5	5520 B. Liquid-Liquid, Partition-Gravimetric Method
Copper, mg/L	Less than 0.02*	3030 F. Nitric Acid-Hydrochloric Acid Digestion, 3111 B. Direct Air-Acetylene Flame AAS
Zinc, mg/L	Less than 0.02*	

Note: \* - Method Detection Limit

Reference: APHA-AWWA and WEF 2017. Standard Methods for the Examination of Water and Wastewater, 23<sup>rd</sup> ed.  
**Results are those obtained at time of examination and relate only to the sample(s) tested.**

CERTIFIED BY:

J.I.M. CEZAR, RCh  
Laboratory Supervisor  
Chem. Reg. No. 13360

APPROVED BY:

M.L.S. MENDOZA, RCh  
Laboratory Business Manager  
Chem. Reg. No. 08239



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F.A.S.T. Laboratories – Air Quality Monitoring Unit  
Km. 54 Brgy. Makiling, Calamba City, Laguna



## SUMMARY OF AMBIENT AIR TEST RESULTS

Reference No. AQ2002-038

Page 01 of 02

CUSTOMER : PHILIPPINE SANJIA – STEEL CORPORATION  
ADDRESS : Baluarte, Tagaloan, Misamis Oriental  
SAMPLING DATE : 11 February 2020  
SAMPLING PERSONNEL : Proserfino P. Comendador (AQS) / Romel D. Sia (AS) / Jerson Estardo  
DATE REPORTED : 17 February 2020

LOCATION	Stn. No.	TSP, $\mu\text{g}/\text{Ncm}$	NO <sub>2</sub> , ppm	SO <sub>2</sub> , $\mu\text{g}/\text{Ncm}$
Inside Plant (N8° 33' 3" E124° 44' 52")	A1	191	Less than 0.01*	Less than 20*
Zone 1, Riverside Nabulod (N8° 33' 9" E124° 44' 51")	A2	142	Less than 0.01*	Less than 20*
Zone 1, Lower Nabulod (N8° 32' 55" E124° 44' 53")	A3	115	Less than 0.01*	Less than 20*
Sitio Poblacion, Nabulod (N8° 32' 51" E124° 44' 34")	A4	62	Less than 0.01*	Less than 20*
National Ambient Air Quality Standards (NAAQS)		300	0.14	340
SAMPLING METHODS		High-Volume / Filtration	Gas Bubbler / Liquid Absorption	

Note: Analyses were subcontracted. \*Method Detection Limit


References: Appendix A and B, Code of Federal Regulations Protection of Environment, Part 50. U.S. Government Printing Office Washington: 2003. 17-22, 25-32pp.  
Methods of Air Sampling and Analysis, 3<sup>rd</sup> Edition, James P. Lodge, Jr., Intersociety Committee 1991, Section 406.

Results are those obtained at the time of examination and relate only to the sample(s) tested.

### REVIEWED AND CERTIFIED BY:

FOR:   
ENGR. DYNAFLOR P. LEPORGO  
AQM QA/QC Specialist  
Ch. E. Reg. No. 0021988

### APPROVED BY:

  
AIZEL D. DIMATULAC  
AQM Business Unit Manager

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F.A.S.T. Laboratories – Air Quality Monitoring Unit  
Km. 54 Brgy. Makiling, Calamba City, Laguna

**SUMMARY OF AMBIENT AIR TEST RESULTS**

Reference No. AQ2002-038

Page 02 of 02

CUSTOMER : PHILIPPINE SANJIA – STEEL CORPORATION  
ADDRESS : Baluarte, Tagaloan, Misamis Oriental  
SAMPLING DATE : 11 February 2020  
SAMPLING PERSONNEL : Proserfino P. Comendador (AQS) / Romel D. Sia (AS) /  
Jerson Estardo  
DATE REPORTED : 17 February 2020

LOCATION	Stn. No.	PM10, $\mu\text{g}/\text{Ncm}$	CO, ppm
Inside Plant (N8° 33' 3" E124° 44' 52")	A1	117	1.23
Zone 1, Riverside Nabulod (N8° 33' 9" E124° 44' 51")	A2	Less than 10*	1.25
Zone 1, Lower Nabulod (N8° 32' 55" E124° 44' 53")	A3	13	1.16
Sitio Poblacion, Nabulod (N8° 32' 51" E124° 44' 34")	A4	Less than 10*	1.13
<b>National Ambient Air Quality Standards (NAAQS)</b>		<b>200</b>	<b>-</b>
<b>SAMPLING METHODS</b>		<b>High-Volume / Filtration</b>	<b>Tedlar Bag Collection</b>

Note: Analyses were subcontracted. \*Method Detection Limit

References: Appendix J, Code of Federal Regulations Protection of Environment, Part 50. U.S. Government Printing Office Washington: 2003. 65-70pp.

Results are those obtained at the time of examination and relate only to the sample(s) tested.

**REVIEWED AND CERTIFIED BY:**

*ENGR. DYNAFLOP P. LEPORGO*  
AQM QA/QC Specialist  
Ch. E. Reg. No. 0021988

**APPROVED BY:**

*AIZEL D. DIMATULAC*  
AQM Business Unit Manager

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**ANNEX 2-7d**

**PROJECT ENVIRONMENTAL MONITORING AND AUDIT PRIORITISATION SCHEME (PEMAPS)  
QUESTIONNAIRE**

<b>Project Name</b>	Environmental Impact Statement report for the 600,000 MT Steel Mill Plant Project
<b>Project Location</b>	Zone 1, Nabulod, Baluarte, Tagoloan, Misamis Oriental, Philippines
<b>ECC Reference No.</b>	ECC-R10-1901-0003
<b>Proponent</b>	Philippine Sanjia-Steel Corporation.
<b>Authorized Representative</b>	Zheng Feng Quan General Manager
<b>Tel. No.</b>	+63 967 2060201
<b>E-mail</b>	
<b>Project Type</b>	Heavy and other processing/ Manufacturing Industries: Iron and Steel Mills
<b>Project Status</b>	For ECC Application

**1. PROJECT CONSIDERATIONS**

**1.1.....Size and Type** **22.5575 hectares (land) | 5.8514 ha (wharf)**

**1.1.1. Size based on number of employees**

Specify number of employees: 60 (construction phase); 300 (operation phase)

**1.1.2. Type**

ECP (in either ECA or Non-ECA) ✓

Non-ECP but in ECA

Non-ECP and Non-ECA

**1.2.....Waste Generation and Management**

**1.2.1. Enumerate Waste Type and Specify Quantity of Wastes generated in your facility.**

Category	Waste	Type		Quantity
		Hazardous	Non-Hazardous	
Air	TSP	✓	✓	Will not exceed the clean air act requirements
Air	SO <sub>2</sub>	✓		Will not exceed the clean air act requirements
Air	NO <sub>2</sub>	✓		Will not exceed the clean air act requirements
Liquid	Used oil	✓		minimal and properly stored
Liquid	Excess paints lacquer, and thinner	✓		minimal and properly stored

Category	Waste	Type		Quantity
		Hazardous	Non-Hazardous	
Solid	Construction waste		✓	Manageable quantity. Spoils will be delivered to a spoil disposal area.
Solid waste and wastewater	Generation during operation (employees) and household waste	✓	✓	Within the manageable and controllable limit

### 1.3.....Pollution Control System (PCS)

#### 1.3.1. Enumerate PCS or Waste Management Method Used in your facility.

Category	PCS/Waste Management Method Used	Remarks
Air	Dust Removal System for 40T×3 Induction Furnace	
	Roof Cover System	
	Fuel and equipment efficiency (maximization, optimization, maintenance)	
	Properly operate and maintain all emission sources (e.g. vehicles, generator, etc) during construction and operation	
	Strictly enforce good housekeeping practices. Control vehicle speed to lessen suspension of road dust.	
	Properly operate and maintain all noise sources (e.g., vehicles, generator, etc.)	
	Truck cover	
Water	Circulating Water Treatment Plant Cooling Water Pond (5 cu.m/hr) Cooling Water Tank (Tank A: 2,400 cm / Tank B: 3,400 cm)	
	Portable toilet and third party hauling (During construction); and Septic tank (during operation) Three Chambered Septic Tank	
	Proper drainage layout and water distribution system.	
Solid	Proper waste management and segregation scheme. Material Recovery Facility (MRF) for domestic solid waste. Implementation of solid waste management plan. (garbage segregation, spoils disposal area, hazwaste storage area and third party hauling) Solid Waste Management Facility Toxic and Hazardous Waste Facility	
	Equipment and vehicles will be thoroughly inspected to prevent leaks and spillages	
	Disposal to LGU disposal sites.	



## 2. PATHWAYS

2.1.....Prevailing wind towards barrio or city: (mark the corresponding point) Yes \_✓\_ No \_\_\_\_

2.2.....Rainfall (impacts surface & groundwater pathways)

2.2.1. Average annual net rainfall:

Specify amount: 1,555 mm

2.2.2. Maximum 24-hour rainfall:

Specify amount: mm

2.3.....Terrain (select one and mark) Flat \_✓\_ Steep \_\_\_\_

2.4.....Is the facility located in a flood-prone area? (select one and mark) Yes \_\_No\_\_

2.5.....Groundwater

Depth of groundwater table (meter) (select one and mark)

0 to less than 3

3 to 10

Greater than 10

## 3. RECEIVING MEDIA / RECEPTORS

3.1.....Air (Distance to nearest community) (select one and mark)

0 to less than 0.5 km

✓

0.5 to 1 km

Greater than 1 km

3.2.....Receiving Surface Water Body

3.2.1. Distance to receiving surface water: (select one and mark)

0 to less than 0.5 km

✓

0.5 to 1 km

Greater than 1 km

3.2.2. Size of population using receiving surface water

Specify number:

3.2.3. Freshwater

3.2.3.1. Classification of freshwater (select one and mark)

AA

A

✓

B

C

D

**3.2.3.2. Size of freshwater body**

Specify size:

**3.2.3.3. Economic value of water use**

(may select more than one of the criteria below)

Drinking

Domestic

Recreational

Fishery

Industrial

Agricultural

**3.2.4. Salt water**

**3.2.4.1. Classification of saltwater**

(select one and mark)

SA

SB

SC

✓

SD

**3.2.4.2. Economic value of water use**

(may select more than one of the criteria below)

Fishery

✓

Tourist zone or park

Recreational

✓

Industrial

**3.3.....Groundwater**

**3.3.1. Distance to nearest recharge area**

(select one and mark)

0 to less than 0.5 km

✓

0.5 to 1 km

Greater than 1 km

**3.3.2. Distance to nearest well used**

(select one and mark)

0 to less than 0.5 km

0.5 to 1 km

Greater than 1 km

**3.3.3. Groundwater use within the nearest well**

(may select more than one of the criteria below)

Drinking

Industrial

Agricultural



Domestic

**3.3.4. Indicate current/actual land uses within 0.5 km radius: (may select more than one of the criteria below)**

Residential ✓  
Commercial/Institutional  
Industrial ✓  
Agricultural/Recreational  
Protected Area

**3.3.5. Potential/proposed land uses within 0.5 km (may select more than one of the criteria below)**

Residential  
Commercial/Industrial  
Industrial ✓  
Agricultural/Recreational  
Protected Area

**3.3.6. Number of affected Environmentally Critical Areas within 1 km:**

Specify number:

**3.3.7. Distance to nearest ECA (select one and mark)**

0 to less than 0.5 km ✓  
0.5 to 1 km  
Greater than 1 km

**4. ENVIRONMENTAL PERFORMANCE (FOR EXISTING PROJECTS FOR EXPANSION)**

**4.1.....Compliance (please take note that this will be double-checked with PCD files)**

Law	Violation (check if any)	SEE ATTACHED NOV AND ECC RESOLUTION				Type of Admin Violation	Additional Remarks/Status of Compliance
		Emission/Effluent/ Discharge	Ambient	Human Impact	Admin/ ECC		
RA 8749	NA	NA	NA	NA	NA	NA	NA
RA 9275	NA	NA	NA	NA	NA	NA	NA
RA 6969	NA	NA	NA	NA	NA	NA	NA
PD 1586	NA	NA	NA	NA	NA	NA	NA
RA 9003	NA	NA	NA	NA	NA	NA	NA

**4.2.....Number of Valid Complaints**

**4.2.1. Citizen and NGOs**

Specify number:

**4.2.2. Others (other Govt. Agencies, Private Institutions)**

Specify number:

-----

(To be filled up by EMB Personnel)

**RECOMMENDATION/S:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assessed By: \_\_\_\_\_


Noted By: \_\_\_\_\_



ACCOUNTABILITY STATEMENT OF PROJECT PROPONENT

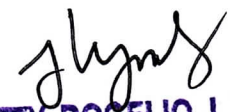
This is to certify that all information in the submitted **Project Environmental Monitoring and Audit Prioritisation Scheme (PEMAPS) Questionnaire** of **Philippine Sanjia-Steel Corporation – 600,000 MT Steel Mill Plant Project** located at **Zone 1, Nabulod, Baluarte, Tagoloan, Misamis Oriental** is true, accurate and complete. Should I learn of any information, which makes this inaccurate, I shall bring said information to the appropriate Environmental Management Bureau Office.

In witness whereof, I hereby set out my hands this **MAY 17 2021** day of 2021 at **QUEZON CITY**.

  
Zheng Feng Quan  
General Manager  
Philippine Sanjia-Steel Corporation

**SUBSCRIBED AND SWORN** to before me this **MAY 17 2021** day of \_\_\_\_\_  
2021 at **QUEZON CITY**. Affiant exhibiting to me his/her Community Tax Certificate No./  
Passport Number/ Tax Identification Number \_\_\_\_\_ issued at \_\_\_\_\_  
on \_\_\_\_\_.

Doc No. 53  
Page No. 12  
Book No. LXXI  
Series of 2021

  
**ATTY. ROGELIO J. BOLIVAR**  
NOTARY PUBLIC IN QUEZON CITY  
AM Adm. No. L Com. No. 129-124 1-12-19 until 12-31-2020  
Commission Expires on June 30, 2021  
as per SEC. 17, R.A. 308, 1905 12/1/2020  
IBP O.R. No. 132154 / J.C. No. 133076 MD 2022  
PTR O.R. No. 0695112 / Roll No. 33832 / TIN# 129-871-009  
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