SECURITIES AND EXCHANGE COMMISSION
RECEIVED
DEC 14 2016
MARKET REGULATION DEPARTMENT
4:45

Alsons Consolidated Resources, Inc.

REGISTRATION STATEMENT

VOLUME 1

DECEMBER 14, 2016

COVER SHEET

5	9	3	6	6						

S.E.C. Registration Number

A	L	S	O	N	S		C	O	N	S	O	L	I	D	A	T	E	D		R	E	S	O	U	R	C	E	S	,

I	N	C	.																											

(Company's Full Name)

2	2	8	6		P	A	S	O	N	G		T	A	M	O		E	X	T	E	N	S	I	O	N	,			

M	A	K	A	T	I		C	I	T	Y																				

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

Atty. Angel M. Esguerra III

Contact Person

982.3061

Company Telephone Number

1	2

Month *Day*

Fiscal Year

3	1

Registration Statement

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accompanied by SEC Personnel concerned

File Number

Document I.D.

STAMPS

SEC FORM 12-1

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, *AS AMENDED*

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. **59366**
   SEC Identification Number

2. **ALSONS CONSOLIDATED RESOURCES, INC.**
   Exact name of registrant as specified in its charter

3. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

4. **001-748-412**
   BIR Tax Identification Number

5. **INVESTMENT HOLDING COMPANY**
   General character of business of registrant.

6. Industry Classification Code: [ ] (SEC Use Only)

7. **ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES 1231**
   Tel No. (632) 982-3000
   Fax No. (632) 982-3077
   Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices

8. **NOT APPLICABLE**
   If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.

9. **DECEMBER 31**
   Fiscal Year Ending Date (Month and Day):

Computation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
COMMERCIAL PAPER	₱ 2,500,000,000.00	N/A	N/A	₱ 2,500,000.00
Legal Research Fee of 1%				25,000.00
TOTAL SEC FEES				**₱ 2,525,000.00**
FIRST TRANCHE	₱ 500,000,000.00			₱ 500,000.00
Legal Research Fee of 1%				5,000.00
TOTAL SEC FEES (FIRST TRANCHE)				**₱ 505,000.00**

SIGNATURES

Pursuant to the requirements of the Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati City, Metro Manila on NOV 08 2016, 2016.

By:

TOMAS I. ALCANTARA
President and Chief Executive Officer

LUIS R. YMSON, JR.
Chief Finance Officer

EDITHA I. ALCANTARA
Treasurer

ROBERTO V. SAN JOSE
Corporate Secretary

NOV 08 2016

SUBSCRIBED AND SWORN to before me this __ day of 2016 by the affiants who exhibited to me their Tax Identification, numbered as follows:

Name	TIN
Tomas I. Alcantara	105-252-550
Luis R. Ymson, Jr	126-818-715
Editha I. Alcantara	101-533-701
Roberto V. San Jose	126-470-483

Doc. No. 69;
Page No. 15;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

PROSPECTUS WITH AUDITED FINANCIAL STATEMENTS

ALSONS CONSOLIDATED RESOURCES, INC.
Php 2,500,000,000 Commercial Paper Program

First Tranche:
Php 500,000,000 Commercial Paper
90, 180, 360 days Tenor
Issue Price: Discount to face value

Alsons Consolidated Resources, Inc. ("ACR", the "Company" or the "Issuer") is authorized by the Securities and Exchange Commission to issue up to Php2,500,000,000 worth of commercial papers to be issued in one or more tranches (the "CP Program"). The First Tranche of the CP Program will carry Discount Rates of [*, *, *], respectively, calculated on a true-discount basis. (See "Terms and Description of the CPs – Discount Rate"). The First Tranche will have the following tenors: 90 days, 180 days, and 360 days for Series A, B and C, respectively.

The Commercial Papers ("CPs") shall be offered to the public at discount to face value and in tranches through the Underwriter and the Selling Agents as may be named below subject to certain conditions in the Issue Management and Underwriting Agreement executed between the Issuer and the Issue Manager/Underwriter. The CPs are intended to be listed at the Philippine Dealing & Exchange Corp. (PDEx) for secondary trading of the CPs and upon such listing, all secondary trading may be coursed through eligible PDEx Trading Participants. The Issuer has been assigned a credit rating of PRS Aa minus (Corp.) by the Philippine Ratings Services Corporation ("PhilRatings" or "PRS") on October 14, 2016. A credit rating is not a recommendation to buy, sell, or hold the securities and may be subject to revision, suspension, or withdrawal at any time by PhilRatings.

Sole Issue Manager, Lead Arranger and Underwriter

Multinational Investment Bancorporation

October 21, 2016

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ALSONS CONSOLIDATED RESOURCES, INC.
ALSONS BUILDING, 2286 DON CHINO ROCES AVENUE
MAKATI CITY 1231, PHILIPPINES
+632 982 3000

ACR is offering the CPs in the aggregate face value of up to ₱2,500,000,000.00 to be issued in tranches. The First Tranche of the CP Program, with an aggregate face value of up to ₱ 500,000,000.00 (the "CPs" or the "Offer") shall be issued on [*] (the "Issue Date"). The succeeding tranche/s of the CP Program are proposed to be issued under a shelf registration within three (3) years from the date of the effectivity of the RS.

After the close of the Offer and within three (3) years following the issuance of the CPs, the Company may, at its sole discretion, offer any or all of the remaining balance of the face value of the CPs covered by such registration statement, in one or more subsequent series under Rule 8.1.2 of the Implementing Rules and Regulations of the Securities Regulation Code. Such shelf registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur, and to issue CPs depending on its financing needs. Subsequent issuances are subject to a rating by PRS.

The CPs will be unsecured obligations of the Company and will rank *pari passu* without any preference amongst themselves and at least *pari passu* with other unsecured and unsubordinated obligations of the Company, present and future, other than obligations preferred by law. The CPs will be effectively subordinated in right of payment to all secured debt of the Company to the extent of the value of the assets securing such debt and all debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines.

The Company expects the net Offer proceeds of the First Tranche to amount to approximately ₱ [*]. Such proceeds will be used by the Company to finance its working capital. See *"Use of Proceeds"* on page 24. The Sole Issue Manager, Arranger and Underwriter will receive 0.50% per annum of the face value of the CPs issued. Such amount shall be inclusive of the underwriting and selling agency fees, if applicable, and shall be deductible from the net proceeds of the Offering.

The Company was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company's ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

ACR's core businesses, conducted through its various subsidiaries and associates, are grouped into main categories consisting of Energy and Power, Property Development, and Other Investments.

ACR's investment in the Energy and Power business is through four holding firms, namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation, and Alsons Thermal Energy Corporation.

The Company is also engaged in property development through its subsidiaries, Alsons Land Corporation and Kamanga Agro-Industrial Economic Development Corporation.

Declaration of dividends is subject to approval by the Board of Directors. Management continuously endeavors to increase ACR's share value through new projects and expansion programs while at the same time provide yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's un-appropriated retained earnings. See "Dividends" on page 48.

Unless otherwise stated, all information contained in this Prospectus has been supplied by the Company. The Company, through its Board, having made all reasonable inquiries, accepts full responsibility for the information contained in this Prospectus and confirms that this Prospectus contains all material information with regard to the Company, its business and operations and the CPs, which as of the date of this Prospectus is material in the context of the Offer; that, to the best of its knowledge and belief as of the date hereof, the information contained in this Prospectus are true and correct and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and, that there are no other facts, the omission of which makes this Prospectus, as a whole or in part, misleading in any material respect. The delivery of this Prospectus shall not, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

Multinational Investment Bancorporation, the Sole Issue Manager, Arranger and Underwriter, warrants that it has, to the best of its ability, exercised the level of due diligence required under existing regulations in ascertaining that all material information contained in this Prospectus are true and correct, and that to the best of its knowledge, no material information was omitted, which was necessary in order to make the statements contained in this Prospectus not misleading. Except for its failure to exercise the required review with due diligence, the sole Issue Manager, Lead Arranger and Underwriter assumes no responsibility for any breach of the representations of the Company.

Market data and certain industry information used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor the Sole Issue Manager, Arranger and Underwriter makes any representation as to the accuracy and completeness of such information.

In making an investment decision, applicants are advised to carefully consider all the information contained in this Prospectus, including the following key points characterizing potential risks in an investment in the CPs:

Risks relating to the Company and its business

- The Company's business and financial condition may be adversely impacted by the fluctuations in the value of the Philippine Peso against the U.S. dollar.
- Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.
- Liquidity risk arises from the possibility that the Company will encounter difficulties in raising funds to meet or settle its obligations at a reasonable price
- Credit risk arises from the possibility that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss.
- The Company's business and financial condition may be adversely affected by amendments in the Electric Power Industry Reform Act ("EPIRA"), and its Implementing Rules and Regulations.
- The Company is subject to various operational risks.

General Risks

- Political or social instability
- Slowdown in the Philippine economy
- Natural catastrophe and calamity

Risks Relating to the Commercial Papers

- Liquidity Risk – the Philippine securities markets are substantially smaller, less liquid and more concentrated than the major securities markets
- Price Risk – the CPs' market value moves (either up or down) depending on the change in interest rates
- Retention of Ratings Risk – there is no assurance that the rating of the CPs will be retained throughout the life of the CPs

For a more detailed discussion on the risks in investing, see section on *"Risk Factors"* beginning on page 19 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the CPs.

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectation and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believe", "may", "will", "estimates", "continues", "anticipates", "intends", "expects" and similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may or may not occur. The Company's actual results could differ significantly from those anticipated in the

Company's forward-looking statements.

The contents of this Prospectus are not to be considered as legal, business or tax advice. Each prospective purchaser of the CPs receiving a copy of this Prospectus acknowledges that he has not relied on the Sole Issue Manager, Arranger and Underwriter or Selling Agents in his investigation of the accuracy of such information or his investment decision. Prospective purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of a purchase of the CPs.

The CPs are offered solely on the basis of the information contained and the representations made in this Prospectus. No dealer, salesman or other person has been authorized by the Company or by the Sole Issue Manager, Arranger and Underwriter to issue any advertisement or to give any information or make any representation in connection with the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or by the Sole Issue Manager, Arranger and Underwriter.

The laws of certain jurisdictions may restrict the distribution of this Prospectus and the offer and sale of the CPs. Persons into whose possession this Prospectus or any of the CPs come must inform themselves about, and observe any such restrictions. Neither the Company, the Issue Manager/Underwriter and the Selling Agents, nor any of its or their respective representatives are making any representation to any prospective purchaser of the CPs of the legality of any investment in the CPs by such prospective purchaser under applicable legal investment or similar laws or regulations.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

The Company is organized under the laws of the Republic of the Philippines. Its principal office is located at Alsons Building, 2286 Chino Roces Avenue, Makati City 1231, Philippines, with telephone number +632 982 3000. Any inquiry regarding this Prospectus should be forwarded to the Company or to Multinational Investment Bancorporation.

ALSONS CONSOLIDATED RESOURCES, INC.

By:

TOMAS I. ALCANTARA
Chairman and President

TIRSO G. SANTILLAN, JR.
Executive Vice President

SUBSCRIBED AND SWORN to before me this ___th day of NOV 15 2016 2016 in Makati City, Metro Manila, Philippines, affiants exhibiting to me their competent evidence of identity, as follows

Name	Competent Evidence of Identity	Issued On/At
Tomas I. Alcantara	UMID ID CRN-0111-0521374-6	
Tirso G. Santillan, Jr.	Driver's License No. N17-72-000977	LTO, Q.C./Expiring on Feb 2, 2018

Doc. No 81;
Page No 18;
Book No LXI;
Series of 2016.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

TABLE OF CONTENTS

DEFINITION OF TERMS 7

EXECUTIVE SUMMARY 9

SUMMARY FINANCIAL INFORMATION 12

THE OFFER 13

RISK FACTORS 20

Use of Proceeds 26

DETERMINATION OF THE OFFER PRICE 28

Plan of Distribution 29

DESCRIPTION OF THE SECURITIES TO BE REGISTERED 31

Interest of Named Experts AND COUNSEL 34

INDUSTRY OVERVIEW 35

THE COMPANY 37

- Company Overview 37
- History 37
- Business Segments 38
- Properties 42
- Investment Acquisition 43
- Sources and Availability of Raw Materials and Supplies 44
- Research and Development 44
- Employees 44
- Competition 44
- Business Strategy 50
- Plans and Programs 50
- Dividends 51
- Government Approvals and Permits 51
- Legal Proceedings 53
- Bankruptcy Proceedings 54
- Market Information 54
- Stockholders 54
- Directors and Senior Management 55
- Certain Relationships and Related Transactions 62
- Security Ownership of Certain Record and Beneficial Owners 64
- Sales of Unregistered Securities within the last two (2) years 65
- Corporate Governance 65

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION 66

MATERIAL CONTRACTS & AGREEMENTS 84

REGULATORY & ENVIRONMENTAL MATTERS 88

GENERAL CORPORATE INFORMATION 89

PHILIPPINE TAXATION 91

DEFINITION OF TERMS

ACR.....	Alsons Consolidated Resources, Inc.
Alsons.....	Alsons Consolidated Resources, Inc.
Banking Day.....	A day (except Saturdays, Sundays and holidays) on which banks in the Philippines are open for business
BIR.....	Bureau of Internal Revenue
BSP.....	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Company.....	Alsons Consolidated Resources, Inc.
Corporation Code.....	Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines"
CPs.....	The Commercial Papers which are evidence of indebtedness registered with the SEC with maturity of three hundred and sixty five (365) days or less
CP Holder.....	A purchaser of the CPs
DENR.....	Philippine Department of Environment and Natural Resources
Directors.....	The members of the Board of Directors of the Company
First Tranche.....	The first issuance of the Commercial Paper
Government.....	The Government of the Republic of the Philippines
GRT.....	Gross receipts tax
Issue Date.....	A date at which the CPs or a portion thereof shall be issued by the Issuer, which date shall be set by the Issuer in consultation with the Sole Issue Manager, Arranger and Underwriter. For the avoidance of doubt, an Issue Date shall at any time be a date which is within the validity of the SEC Permit to Sell.
Listing Date.....	The date at which the CP shall be listed with PDEx
Offer.....	Up to Php500,000,000 Commercial Papers
Offer Price.....	Discount to face value

₱ or Php or P.....	Philippine Pesos, the lawful currency of the Republic of the Philippines
PDEx.....	Philippine Dealing & Exchange Corp.
PDST-R2.....	PDS benchmark reference rates as reported in the website of the PDS Group (http://www.pds.com.ph/)
PDTC.....	The Philippine Depository and Trust Corporation
PFRS.....	Philippine Financial Reporting Standards
Philratings.....	Philippine Ratings Services Corporation
Prospectus.....	This Prospectus together with all its annexes, appendices and amendments, if any
SEC.....	The Philippine Securities and Exchange Commission
Subsequent Issuance.....	Issuances subsequent to the Initial Issuance
Sole Issue Manager and Arranger.....	Multinational Investment Bancorporation
SRC.....	Republic Act No. 8799, otherwise known as "The Securities Regulation Code"
TDF	Term Deposit Facility. The TDF is a key liquidity absorption facility, commonly used by Central Banks for liquidity management. Due to the BSP's inability to issue its own debt instruments, the TDF will be tasked to withdraw a large part of the structural liquidity from the financial system to bring market rates closer to the BSP policy rate.
Underwriter.....	Multinational Investment Bancorporation
Underwriting Agreement.....	The agreement entered into by and between the Company and the Underwriter, indicating the terms and conditions of the Offer and providing that the Offer shall be fully underwritten by the Underwriter
VAT.....	Value Added Tax

EXECUTIVE SUMMARY

The following summary does not purport to be complete and is taken from and qualified in its entirety by the more detailed information including the Company's financial statements and notes relating thereto, appearing elsewhere in this Prospectus. For a discussion of certain matters that should be considered in evaluating any investment in the CPs, see the section entitled "Risk Factors" beginning on page 19 of this Prospectus.

OVERVIEW OF THE COMPANY

The Company was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Alcantara Group owns 79.97% of the outstanding common shares of ACR.

ACR's core businesses, conducted through its various subsidiaries and associates, are grouped into main categories consisting of Energy and Power, Property Development, and Other Investments.

ACR's investment in the Energy and Power business is through four holding firms, namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation, and Alsons Thermal Energy Corporation.

The Company has four operating power generation subsidiaries, namely, Western Mindanao Power Corporation, Southern Philippines Power Corporation, Mapalad Power Corporation, and Sarangani Energy Corporation ("Sarangani"), all of which are located in Mindanao. ACR, through its subsidiaries, is also conducting feasibility studies on renewable energy projects. The 105 MW Phase 1 of Sarangani's 210 MW coal-fired power project started commercial operations last April 29, 2016. Sarangani's Phase 2 is expected to begin construction in 2016 and is scheduled to be completed in 2019. The 105MW Coal-Fired Power Plant of San Ramon Power, Inc., in Zamboanga City, is currently under development. ACR also has a majority-owned subsidiary, Alto Power Management Corporation, which handles the operations and maintenance of power plant projects outside of the country

The Company is also engaged in property development through its subsidiaries, Alsons Land Corporation and Kamanga Agro-Industrial Economic Development Corporation.

COMPETITIVE STRENGTHS

The Company believes that its strengths lie in the following:

- In-depth knowledge of the Mindanao region
- Experienced management team
- Proven track record in developing and operating greenfield power projects
- Enhanced competitiveness and sustainable growth
- Focused strategies

Additional information on the Company's Competitive Strengths may be found in the *"The Company"* beginning page 35.

BUSINESS STRATEGY

ACR's expansion strategy is driven by the needs of the Mindanao grid and is supported by long-term offtake agreements. The Company will position its diesel plants to perform roles that are not effectively and efficiently served by coal fired power plants. In addition, ACR will develop its pipeline of hydro power projects to round up its generation mix with renewable sources.

ACR's expansion will:

- Allow it to provide a complete power solution to the Mindanao grid
- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source.

RISKS OF INVESTING

Before making an investment decision, investors should carefully consider the risks associated with an investment in the CPs. These risks include:

Risks relating to the Company and its business

- The Company's business and financial condition may be adversely impacted by the fluctuations in the value of the Philippine Peso against the U.S. dollar.
- Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.
- Liquidity risk arises from the possibility that the Company will encounter difficulties in raising funds to meet or settle its obligations at a reasonable price
- Credit risk arises from the possibility that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss.
- The Company's business and financial condition may be adversely affected by amendments in the Electric Power Industry Reform Act, and its Implementing Rules and Regulations.
- The Company's financial performance is highly dependent on the successful operation of its power plants, which are subject to several operational risks;
- Licenses, permits, and operating agreements necessary for the Company's operations may not be acquired, sustained, renewed or extended.
- Continued compliance with, and any amendments in, regulatory, safety, health and environmental laws and regulations may have an adverse impact on the Company's operating costs;
- The Company is confronted by increased competition in the power industry, including those resulting from legislative, regulatory, and industry restructuring efforts;
- The Company may be exposed to labor disruptions which might interfere with its operations;
- The Company may be unable to refinance its outstanding debt, and any future financing arrangements entered into by the Company may be less favorable than the current ones

General Risks

- Political or social instability
- Slowdown in the Philippine economy
- Natural catastrophe and calamity

Risks Relating to the Commercial Papers

- Liquidity Risk – the Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets
- Price Risk – the CPs market value moves (either up or down) depending on the change in interest rates
- Retention of Ratings Risk – there is no assurance that the rating of the CPs will be retained throughout the life of the CPs

For a more detailed discussion on the risks in investing, see section on "*Risk Factors*" beginning on page 19 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the CPs.

CORPORATE INFORMATION

The Company's principal office is located at Alsons Building, 2286 Chino Roces Avenue, Makati City 1231, Philippines with telephone number +632 982 3000.

SUMMARY FINANCIAL INFORMATION

The selected financial information set forth in the following table has been derived from the Company's audited financial statements for fiscal years ended December 31, 2015, 2014 and 2013. These should be read in conjunction with the financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis of Financial Condition" and other financial information included herein.

The Company's financial statements were prepared by SyCip Gorres Velayo & Co. (SGV) a member practice of Ernst & Young Global, in accordance with PFRS. The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

Table 1: Income Statement

INCOME STATEMENT DATA (in Php millions)				
	1H 2016	**2015**	**2014**	**2013**
Revenues	3,201	5,022	5,180	3,344
Cost and Expenses	2,949	3,506	4,016	2,361
Other Income/ (Charges)		(384)	(75)	(143)
Income/ (Loss) Before Tax and Other Items	**251**	**1,132**	**1,089**	**840**
Provision for (Benefit From) Income Tax	94	440	362	270
Net Income	**157**	**691**	**727**	**766**

Table 2: Consolidated Financial Position

CONSOLIDATED FINANCIAL POSITION DATA (in Php millions)				
	1H 2016	**2015**	**2014**	**2013**
ASSETS				
Current Assets	7,705	7,903	7,814	6,841
Noncurrent Assets	23,019	22,263	17,912	11,148
Total Assets	***30,724***	***30,166***	***25,726***	***17,989***
LIABILITIES AND EQUITY				
Current Liabilities	2,351	2,025	2,463	2,367
Noncurrent Liabilities	17,759	17,541	12,854	5,250
Total Liabilities	***20,110***	***19,566***	***15,317***	***7,617***
Total Equity	***10,614***	***10,600***	***10,408***	***10,372***
Total Liabilities and Equity	***30,724***	***30,166***	***25,725***	***17,989***

THE OFFER

The following do not purport to be a complete listing of all the rights, obligations and privileges of the CPs. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective note holders are enjoined to perform their own independent investigation and analysis of the Issuer and the Commercial Papers. Each prospective note holder must rely on its own appraisal of the Issuer and the proposed financing and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed financing and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective note holder's independent evaluation and analysis.

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the CP. Accordingly, any decision by a prospective investor to invest in the CPs should be based on a consideration of this Prospectus as a whole, which provides the material rights, obligations and privileges of a CP Holder. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.

The following are the terms and conditions of the First Tranche:

Issuer	:	Alsons Consolidated Resources Inc.
Instrument	:	Negotiable Commercial Papers registered with the SEC
Issue Size	:	Up to ₱500,000,000.00 to be issued in one lump sum or multiple issuances at the determination of the Issuer in consultation with the Sole Issue Manager, Arranger and Underwriter.
Sole Issue Manager, and Arranger, and Underwriter	:	Multinational Investment Bancorporation
Use of Proceeds	:	Working Capital and other General Corporate Purposes
Issue or Offer Price	:	Discount to face value of the CPs
Initial Issuance	:	The initial issuance of the First Tranche
Issue Date	:	In one or more dates to be set by the Issuer in consultation with the Sole Issue Manager, and Arranger and Underwriter on a "when and as needed" basis. The target issue date for the Initial Issuance of the First Tranche is [*]. For the avoidance of doubt, an Issue Date shall at any time be any date which is within the validity of the SEC Permit to Sell.
Tenor/Term of the Initial Issuance	:	Up to three hundred sixty (360) days; provided portions of the

		issuance of the CPs may, as determined by the Issuer in consultation with the Sole Issue Manager, Arranger and Underwriter, have the following tenor/term. The day count convention is Actual/360. Series A: 90 days Series B: 180 days Series C: 360 days
Tenor for Subsequent Issuance/s	:	A minimum of ninety (90) days
Denomination on Initial Issuance	:	For Series A and B: Minimum of Pesos: Five Million (P5,000,000) face value and increments of Pesos: One Hundred Thousand (P100,000) For Series C: Minimum of Pesos: Five Hundred Thousand (P500,000) face value and increments of Pesos: One Hundred Thousand (P100,000)
Minimum Denomination for Secondary Trading	:	Minimum of Pesos: One Hundred Thousand (Php 100,000) face value and increments of Pesos: Ten Thousand (Php 10,000)
Discount Rate for Initial Issuance	:	The sum of the Base Rate and the Credit Spread determined prior to the Issue Date (the "Rate Setting Date") The following are the discount rates for the Initial Issuance based on the rate of the closest tenor of the Term Deposit Facility of the BSP plus credit spread Series A: [3.5584% to 4.5584%] Series B: [3.5584% to 4.5584%] Series C: [3.5584% to 4.5584%]
Discount Rate of Subsequent Issuance/s	:	The discount rate of the subsequent issuance/s shall be set by the Issuer in consultation with the Issue Manager and Arranger
Base Rate	:	The base rate is the higher of a) the three-day average PDST-R2 Reference Rate of the corresponding tenor; or b) the rate of the closest tenor of the Term Deposit Facility of the BSP The PDST-R2 Reference for each series is as follows: Series A: PDST-R2 3Mos Series B: PDST-R2 6Mos Series C: PDST-R2 12Mos

Credit Spread	:	The Credit Spread for the Initial Issuance of each series is as follows: Series A: 100 to 200 bps Series B: 100 to 200 bps Series C: 100 to 200 bps
Discount Rate Computation	:	The Interest/Discount Rate will be calculated on a true-discount basis
Manner of Purchase	:	The CPs will be available for sale from the Sole Underwriter and Selling Agents, if any, subject to minimum purchase amount and denomination.
Acceptance / Rejection of the Application	:	The Issuer and the Sole Issue Manager, Arranger and Underwriter reserve the right to accept or reject any application for CPs. In case of over-subscription, the Issuer and the Sole Issue Manager, Arranger and Underwriter reserve the right to allocate the CPs available to the investors in a manner they deem appropriate.
Delivery of CP	:	Delivery of the CPs will be made upon full payment of the Offer Price to the Sole Underwriter and/or Selling Agents
Principal Repayment	:	The principal amount of the CPs will be repaid in full at the Principal Repayment Date.
Principal Repayment Date	:	The date of maturity of a CP as stated in the CP certificate, at which the Issuer shall effect payment in full of the CP. If such Principal Repayment is due on a day that is not a Banking Day, the Principal Repayment Date shall be made on the immediately succeeding Banking Day. No additional interest will be paid in such case.
Status	:	The CPs will constitute direct, unconditional, unsubordinated, general and unsecured obligations of the Issuer ranking at least *pari passu* in all respects and without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer) with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present and future) of the Issuer.
Form	:	The CPs shall be issued scripless and will be maintained in electronic form with the Registrar.
Taxation on the Discount	:	Generally, the Discount on the CPs shall be subject to a 20% final withholding tax. A CP Holder who is exempt from or is not subject to the aforesaid withholding tax shall be required to

		submit the following: (i) certified true copy of the tax exemption certificate issued by the Bureau of Internal Revenue; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities. The Issuer reserves the right to withhold the required tax on the discount of a CP Holder otherwise representing itself to be a tax-exempt institution in the event that such CP Holder fails to comply with or submit the foregoing documentary requirements.
Documentary Stamps on Original Issuance	:	The cost of the documentary stamps on the original issuance of the CPs shall be for the account of the Issuer.
Registrar and Paying Agent	:	PDTC
Secondary Trading	:	The CPs are intended to be listed at the PDEx for secondary trading of the CPs and upon such listing, all secondary trading may be coursed through eligible PDEx Trading Participants.
Liabilities	:	The Company as the CP issuer is liable and responsible for any and all obligations arising from the sale of the CP as provided under pertinent sections of the Negotiable Instruments Law, the SRC and applicable laws of the Philippines as well as in the Underwriting Agreement and related agreements. In addition, the Issuer is responsible for complying with all reportorial requirements of the SEC in connection with the issuance of the CP.
Credit Rating	:	The Issuer has a rating of PRS Aa minus (Corp.) as assigned by Philratings effective October 14, 2016. Philratings assigned an issuer credit rating of PRS Aa minus (corp.) for Alsons Consolidated Resources, Inc. based on the following considerations: • Positive Prospects for Mindanao • Ability to establish joint ventures with strong partners for particular projects • Expansion plans which will further enhance over all operations • Strong revenue generating ability *Other Factors considered:*

		• ACR had a debt restructuring in 2010 and 2014, which were fully settled in 2015. • The Company has not sought nor tapped any bank lines for its working capital requirements. Working capital lines are made available and provided directly to the Company's operating subsidiaries. The assigned rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as they are outstanding.
Facility Agent	:	AB Capital and Investment Corporation – Trust Department The Facility Agent has no direct relations with the Issuer.
Security	:	Negative pledge on the Company's existing and future assets, except (i) to secure statutory obligations, (ii) to enable the Company to continue to enter into its usual transactions in the ordinary course of business, (iii) those imposed by law or arising out of pledges or deposits under workmen's compensation laws or other social security or retirement benefits or similar legislation, and (iv) those created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty, or the validity of which is contested in good faith by appropriate proceedings upon stay of execution of the enforcement thereof.
Cross Default	:	The Company shall be considered to be in default in case the Company fails to pay or defaults in the payment of any installment of the principal or interest relative to, or fails to comply with or to perform, any other material obligation, or commits a breach or violation of any of the material terms, conditions or stipulations, of any agreement, contract or document with any persons to which the Company is a party or privy, whether executed prior to or after the date hereof, or under which the Company has agreed to act as guarantor, surety or accommodation party, which, under the terms of such agreement, contract, document, guaranty or suretyship, including any agreement similar or analogous thereto, shall constitute a material default thereunder after allowing for all applicable grace periods. No default will occur under this clause if the aggregate amount the Company fails to pay is less than Php 35 million (or its equivalent in any other currency or currencies)".

Other Terms and Conditions	:	1. The CPs will not be convertible to any other security or equity of the Issuer. 2. The Issuer will not set up any sinking fund for the redemption of the CPs. 3. Substitution of the CP with another type of security will not be permitted. 4. Other terms and conditions as may be agreed upon among the Issuer, the Sole Issue Manager, Arranger and Underwriter.

RISK FACTORS

GENERAL RISK WARNING

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance.

There is an extra risk of losing money when securities are issued by smaller companies. There may be a big difference between the buying price and the selling price of these securities.

Investors deal in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study on the trading of these securities before commencing any trading activity. Investors may request publicly-available information on the CPs and the Company from the SEC and PDEx.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high risk securities.

RISK FACTORS

An investment in the CPs described in this Prospectus involves a certain degree of risk. A prospective purchaser of the CPs should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the CPs. This Prospectus contains forward-looking statements that involve risks and uncertainties. ACR adopts what it considers conservative financial and operational controls and policies to manage its business risks. The Company's actual results may differ significantly from the results discussed in this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of ACR in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

Investors should carefully consider all the information contained in this Prospectus including the risk factors described below, before deciding to invest in the CPs. The Company's business, financial condition and results of operations could be materially adversely affected by any of these risk factors.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS

The following discussion is not intended to be a comprehensive description of all applicable risk considerations, and is not in any way meant to disclose all risk considerations or other significant aspects of participation in the CPs. Prospective participants are encouraged to make their own independent legal, financial, and business examination of the Company.

Through prudent management and cautious invesment decisions, ACR constantly strive to minimize risks that can weaken its financial position. However, certain risks are inherent to specific industries and are not within the direct control of the Company.

Some of the risks that the Company and its subsidiaries may be exposed to are the following:

1. **Foreign Exchange Rate Fluctuations**

   The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S Dollar and other foreign currency. The spare parts purchases, and insurance policies of MPC, SPPC and WMPC, and the fuel supply agreement, operations and maintenance agreement, the equipment supply contracts, and insurance policies of Sarangani, are denominated in U.S. Dollars.

2. **Interest Rate Risks**

   The Company's interest rate risks management policy centers on reducing overall interest expense and minimizing other costs of borrowing. Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.

3. **Liquidity Risks**

   Liquidity risk arises from the possibility that the Company encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

4. **Credit Risks**

   Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss.

Other risks relating to the Company and its business:

- The Company's business and financial condition may be adversely affected by amendments in the Electric Power Industry Reform Act, and its Implementing Rules and Regulations.
- The Company's financial performance is highly dependent on the successful operation of its power plants, which are subject to several operational risks;
- Licenses, permits, and operating agreements necessary for the Company's operations may not be acquired, sustained, renewed or extended.
- Continued compliance with, and any amendments in, regulatory, safety, health and environmental laws and regulations may have an adverse impact on the Company's operating costs;
- The Company is confronted by increased competition in the power industry, including those resulting from legislative, regulatory, and industry restructuring efforts;
- The Company may be exposed to labor disruptions which might interfere with its operations;
- The Company may be unable to refinance its outstanding debt, and any future financing arrangements entered into by the Company may be less favorable than the current ones

Further discussion on the Company's financial risk management objectives and policies is contained in Note 32 of the Consolidated Financial Statements.

RISKS RELATING TO THE PHILIPPINES

A slowdown in the Philippine economy could adversely affect the Company.

Results of operations of the Company have generally been influenced, and will continue to be influenced by the performance of the Philippine economy. Consequently, the Company's income and results of operations depend, to a significant extent, on the performance of the Philippine economy.

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine Peso and debt restructuring, and has been significantly affected by economic volatilities in the Asia-Pacific region. The Company cannot assure prospective investors that one or more of these factors will not negatively impact Philippine consumers' purchasing power, which could materially and adversely affect the Company's financial condition and results of operations.

In addition, global financial, credit and currency markets have, since the second half of 2007, experienced, and may continue to experience, significant dislocations and liquidity disruptions. There is significant uncertainty as to the potential for a continued downturn in the U.S. and the global economy, which would be likely to cause economic conditions in the Philippines to deteriorate.

A slowdown in the Philippine economy may adversely affect consumer sentiment and lead to a reduction in demand for the Company's products. There is also no assurance that current or future Government administrations will adopt economic policies conducive to sustaining economic growth.

Political or social instability could adversely affect the financial results of the Company.

The Philippines has experienced political and military instability. In the past decade, political instability has been observed headlined by impeachment proceedings against former presidents Joseph Estrada and Gloria Macapagal-Arroyo, and public and military protests arising from alleged misconduct by previous administrations. There is no assurance that acts of election-related violence will not occur in the future and such events have the potential to negatively impact the Philippine economy. An unstable political environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The occurrence of natural catastrophes may materially disrupt the Company's operations.

The Philippines has experienced a number of major natural catastrophes over the years, including droughts, typhoons, volcanic eruptions and earthquakes, which may materially disrupt and adversely affect the business operations of the Company. While The Company maintains a comprehensive business insurance against natural catastrophes, there can be no assurance that it will be adequately compensated for all damages and economic losses resulting from natural catastrophes.

RISKS RELATING TO THE COMMERCIAL PAPERS

Liquidity Risk

The Philippine securities markets are substantially smaller, less liquid and more concentrated than the major securities markets. The Company cannot guarantee that the market for the CPs will always be active or liquid. Even if the CPs are listed in the PDEx, trading in securities such as the CPs may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the CPs may be easily disposed of at prices and volumes and at instances best deemed appropriate by their holders.

Price Risk

The CP's market value may move (either up or down) depending on the change in interest rates in the market. The CPs when sold in the secondary market may be worth more if interest rates drop. Conversely, if the prevailing interest rates rise, the CPs may be worth less when sold in the secondary market. In such instance, an investor faces possible loss if he decides to sell.

Retention of Ratings Risk

There is no assurance that the rating of the Issuer will be retained throughout the life of the CPs. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

MANAGEMENT OF RISKS

1. Foreign Exchange Rate Fluctuations

The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S Dollar and other foreign currency. The spare parts purchases, and insurance policies of MPC, SPPC and WMPC, and the fuel supply agreement, operations and maintenance agreement, the equipment supply contracts, and insurance policies of Sarangani, are denominated in U.S. Dollars. The Company keeps a portion of its short-term investments in foreign currency to serve as a hedge in foreign exchange fluctuations.

2. Interest Rate Risks

The Company's interest rate risk management policy centers on reducing overall interest expense and minimizing other costs of borrowing. Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.

ACR and its subsidiaries manage their interest rate risks by averaging its debt portfolio and by optimizing the mix of fixed and variable interest rates. Other measures are employed to avert risk include pre-payment of debts and re-financing of loans as the opportunities arise. Moreover, utilization of existing credit facilities has been kept to a minimum.

3. Liquidity Risks

The Company and its subsidiaries carefully manage their liquidity position to be able to finance their working capital, debt service, and capital expenditure requirements. Sufficient levels of cash and short-

term money market placements are maintained to meet maturing obligations. Management regularly monitors and forecasts its cash commitments, matches debt payments with cash generated from the assets being financed, and negotiates with creditors on possible re-financing of existing loans to avail of better terms and conditions.

4. Credit Risks

The power companies' receivables are largely from the distribution utilities, each of whom have provided security in the form of escrowed cash equivalent to, or standby irrevocable letters of credit worth at least, one month's supply of fees. From its energy conversion agreement with National Power Corporation ("NPC"), which expired on April 28, 2016, SPPC has an account receivable from NPC consisting of US$7,336,536.91 (exclusive of VAT) and P96,255,433.46 (exclusive of VAT) plus accrued interests from April 25, 2005 to April 25, 2010, without prejudice to additional sums which may be due to SPPC after August 25, 2010. SPPC and NPC had submitted their dispute to resolution by the ERC, which found for SPPC. NPC appealed to the courts. On July 4, 2016, the Supreme Court ruled in favour of SPPC. However, on September 6, 2016, NPC moved for reconsideration, which remains pending with the Supreme Court.

In general, the Company believes that the risk factors discussed herein are mitigated by its competitive strengths and business strategies. See discussion on Competitive Strengths and business strategies starting page 41 of this Prospectus.

USE OF PROCEEDS

The Company's net proceeds from the Offer is expected to be approximately **Php 466,933,399.52** after deducting the applicable fees and expenses.

Expenses related to the Offer, all of which will be for the account of the Company, are broken down as follows:

Table 3: Net Proceeds

Face Value of the Offer	**₱ 500,000,000.00**
Discount (indicative based on 4.5% and 360 days assuming true discount computation)	**(21,531,100.48)**
Gross Proceeds	**478,468,899.52**
Less:	
SEC Filing and Legal Research Fees	(505,000.00)
Documentary Stamp Tax (maximum assuming P500 million issued for one year)	(2,500,000.00)
Underwriting and Selling Fees (maximum)	(2,500,000.00)
Issue Management Fee	(2,500,000.00)
Estimated Legal Fees	(2,700,000.00)
Philratings credit rating report fees	(448,000.00)
PDTC Registry fees*	(170,000.00)
PDEx listing maintenance fees*	(37,500.00)
Facility agency fees	(125,000.00)
Estimated Costs of Printing and Publication	(50,000.00)
Total expenses	**(11,535,500.00)**
Net Proceeds	**466,933,399.52**

* PDTC and PDEx fees are estimates

In the event that the actual expenses relating to the Offer differ from the above estimates, the actual net proceeds to the Company from the Offer may be higher or lower than the expected net proceeds set forth above. Any increase or decrease in the net proceeds to the Company shall be addressed by making a corresponding increase or decrease, as the case may be, to the Company's provision for working capital requirements.

The Company intends to use the proceeds from the Offer for working capital and general corporate purposes.

No portion of the proceeds will be used to acquire major assets or finance the acquisition of other business nor will the proceeds be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advanced or otherwise. The Sole Issue Manager, Arranger and Underwriter shall not receive any amount from the proceeds other than the underwriting, issue management and selling fees.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the

Company's disbursement plan, including force majeure, the Company will carefully evaluate the situation and may reallocate the proceeds and/or hold such funds on short term deposit whichever is better for the Company's and its shareholders' interest taken as whole. In such event, the Company will issue an announcement if there is any material change in the above proposed use of proceeds.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PDex.

DETERMINATION OF THE OFFER PRICE

The CPs shall be issued at a discount to face value.

Below is an illustration of the computation of the Offer Price for an Issuance:

Table 4: Offer Price Computation

	Series A	Series B	Series C
Tenor (in Days)	90	180	360
Discount Rate	3.75%	4.125%	4.50%
Cost Breakdown			
Face Value	5,000,000.00	5,000,000.00	500,000.00
Discount	(46,439.63)	(101,041.03)	(21,531.10)
Tax on Discount	9,287.93	20,208.21	4,306.22
Cost	4,962,848.30	4,919,167.18	482,775.12
Offer Price	99.256966%	98.383344%	96.555024%

The discount rates used are for illustration purposes only and are subject to change.

PLAN OF DISTRIBUTION

The Company plans to issue the CPs in one lump sum or several tranches, through the designated issue manager, underwriter and selling agents. The First Tranche shall be issued in the [4th quarter of 2016] for such amount as shall be determined by the Issuer in consultation with the Underwriter.

ISSUE MANAGER/UNDERWRITER AND UNDERWRITING OBLIGATION

The Company has engaged Multinational Investment Bancorporation as its Underwriter pursuant to an Underwriting Agreement (the "Underwriting Agreement"). The Underwriter has agreed to act as the Underwriter for the Offer and as such, distribute and sell the CPs at the Offer Price, and has committed to underwrite the CPs on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses. There is no arrangement for the Underwriter to put back to the Issuer any unsold CPs.

The Underwriter is duly licensed by the SEC to engage in distribution of securities to the public. The Underwriter may, from time to time, engage in transactions with and perform services in the ordinary course of business with the Company and its related companies.

Multinational Investment Bancorporation is the oldest existing independent investment house in the Philippines. It provides a full range of investment banking services that include debt and equity underwriting, loan syndication and financial advisory services for mergers and acquisitions, corporate reorganization and financial restructuring.

The Underwriter has no direct relations with the Company in terms of ownership. The Underwriter has no right to designate or nominate any member of the Board of the Company.

SALE AND DISTRIBUTION

The distribution and sale of the CPs shall be undertaken by the Underwriter and Selling Agents, as applicable, who shall sell and distribute the CPs to third party buyers/investors. Nothing herein shall limit the rights of the Underwriter and each Selling Agent as applicable, from purchasing the CPs for its own account. There are no persons to whom the CPs are allocated or designated. The CPs shall be offered to the public at large and without preference.

Unless otherwise terminated, the engagement of the Sole Issue Manager, Arranger and Underwriter and Selling Agents shall subsist so long as the SEC Permit to Sell remains valid.

FEES AND COMMISSIONS

The Company will pay the Underwriter a fee of 0.50% per annum on the aggregate face value of the CPs issued, which is inclusive of the underwriting and the selling agency fees, as applicable. The fees shall be deductible from the net proceeds of the Offer for a particular tranche on a relevant Issue Date.

The Company will also pay the Issue Manager a flat fee of Pesos: Two Million Five Hundred Thousand (Php 2,500,000.00).

OFFER PERIOD

The Offer Period shall commence upon or immediately after approval by the SEC of, and will end on or before the expiry of the license to sell for, the CPs.

DESCRIPTION OF THE SECURITIES TO BE REGISTERED

Instrument	:	Negotiable Commercial Papers registered with the Securities and Exchange Commission
CP Program Size	:	Up to ₱2,500,000,000.00 face value to be issued in tranches, at the determination of the Issuer in consultation with the Sole Issue Manager, Arranger and Underwriter.
First Tranche	:	Up to ₱500,000,000.00 face value
Issue or Offer Price	:	Discount to face value of the CPs
Discount Rate for Initial Issuance	:	The sum of the Base Rate and the Credit Spread determined prior to each Issue Date (the "Rate Setting Date") The following are the discount rates for the Initial Issuance based on the rate of the closest tenor of the Term Deposit Facility of the BSP plus credit spread Series A: [3.5584% to 4.5584%] Series B: [3.5584% to 4.5584%] Series C: [3.5584% to 4.5584%]
Discount Rate of Subsequent Issuance/s	:	The discount rate of the subsequent issuance/s shall be set by the Issuer in consultation with the Issue Manager and Arranger
Base Rate	:	The base rate is the higher of a) the three-day average PDST-R2 Reference Rate of the corresponding tenor or b) the rate of the closest tenor of the Term Deposit Facility of the BSP The PDST-R2 Reference Rate for each series is as follows: Series A: PDST-R2 3Mos Series B: PDST-R2 6Mos Series C: PDST-R2 12Mos
Credit Spread	:	The Credit Spread for the Initial Issuance of each series is as follows Series A: 100 to 200 bps Series B: 100 to 200 bps Series C: 100 to 200 bps
Tenor/Term of the Initial Issuance	:	Up to three hundred sixty (360) days; provided portions of the issuance of the CPs may, as determined by the Issuer in consultation with the Sole Issue Manager, Arranger and Underwriter, have the following tenor/term. The day count

		convention is Actual/360. Series A: 90 days Series B: 180 days Series C: 360 days
Tenor for Subsequent Issuance/s	:	A minimum of ninety (90) days
Manner of Purchase	:	The CPs will be available for sale from the Sole Underwriter and Selling Agents as applicable, subject to minimum purchase amount and denomination.
Delivery of CP	:	Delivery of the CPs will be made upon full payment of the Offer Price to the Sole Underwriter and/or Selling Agents as applicable.
Principal Repayment	:	The principal amount of the CPs will be repaid in full at the Principal Repayment Date
Principal Repayment Date	:	The date of maturity of a CP as stated in the CP certificate, at which the Issuer shall effect payment in full of the CPs. If such Principal Repayment is due on a day that is not a Banking Day, the Principal Repayment Date shall be made on the immediately succeeding Banking Day. No additional interest will be paid in such case.
Taxation on the Discount	:	Generally, the Discount on the CPs shall be subject to a 20% final withholding tax. A CP Holder who is exempt from or is not subject to the aforesaid withholding tax shall be required to submit the following: (i) certified true copy of the tax exemption certificate issued by the Bureau of Internal Revenue; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities. The Issuer reserves the right to withhold the required tax on the discount of a CP Holder otherwise representing itself to be a tax-exempt institution in the event that such CP Holder fails to comply with or submit the foregoing documentary requirements.
Documentary Stamps on Original Issuance	:	The cost of the documentary stamps on the original issuance of the CPs shall be for the account of the Issuer.

Secondary Trading	:	The CPs are intended to be listed at the PDEx for secondary trading of the CPs and upon such listing, all secondary trading may be coursed through eligible PDEx Trading Participants
Liabilities	:	The Company as the CP issuer is liable and responsible for any and all obligations arising from the sale of the CP as provided under pertinent sections of the Negotiable Instruments Law, the SRC and applicable laws of the Philippines as well as in the Underwriting Agreement and related agreements. In addition, the Issuer is responsible for complying with all reportorial requirements of the SEC in connection with the issuance of the CP.
Credit Rating	:	The Issuer has a rating of PRS Aa minus (Corp.) as assigned by Philratings effective October 14, 2016. Philratings assigned an issuer credit rating of PRS Aa minus (corp.) for Alsons Consolidated Resources, Inc. based on the following considerations: • Positive Prospects for Mindanao • Ability to establish joint ventures with strong partners for particular projects • Expansion plans which will further enhance over all operations • Strong revenue generating ability *Other Factors considered:* • ACR had a debt restructuring in 2010 and 2014, which were fully settled in 2015. • The Company has not sought nor tapped any bank lines for its working capital requirements. Working capital lines are made available and provided directly to the Company's operating subsidiaries. The assigned rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as they are outstanding.

INTEREST OF NAMED EXPERTS AND COUNSEL

The validity of the CPs and tax matters pertaining thereto were passed upon by Martinez Vergara Gonzales & Serrano Law (MVGS), the third party transaction counsel. MVGS has no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The Philippine Depository & Trust Corporation, the Registrar and Paying Agent, has no direct and indirect interest in the Company.

The financial statements of the Company for the periods ended December 31, 2015, 2014 and 2013 appearing in this Prospectus have been audited by SyCip Gorres Velayo & Co., independent auditor, as set forth in their report thereon appearing elsewhere herein. The partner-in-charge for the periods ended December 31, 2015, 2014 and 2013 is Mr. Martin C. Guantes, CPA.

There is no arrangement that experts shall receive a direct or indirect interest in the Company or was a promoter, underwriter, voting trustee, director, officer, or employee of Company.

INDUSTRY OVERVIEW

The information and data contained in this section have been taken from sources in the public domain. The Company does not have any knowledge that the information herein is inaccurate in any material respect. Neither the Company nor the Sole Issue Manager, Arranger and Underwriter nor any of their respective affiliates or advisors has independently verified the information included in this section.

OPERATING ENVIRONMENT[1]

Mindanao is the second biggest island of the country.

Mindanao has a high potential for agro-industrial development. Most of its regions are located outside the typhoon belt. It is endowed with eight major river basins, namely: Agusan, Tagoloan, Cagayan de Oro, Tagum, Libuganon, Davao, Buayan-Malungon, Agus and the Mindanao River – all of which could supply water for irrigation and other related needs.

One-third of the Mindanao land area is devoted to agriculture. Mindanao supplies over 40 percent of the country's food requirements and contributes more than 30 percent to national food trade. It is also the country's major producer of rubber, pineapple, banana and coffee.

Mindanao can also be developed into a top tourist destination given the cultural diversity of its people and its resource-rich environment. Its tourism industry represents about 17 percent of the national tourist traffic.

Mindanao is endowed with rich mineral resources. The CARAGA and Davao regions contribute the most to the national output with more than eight percent each. Eastern Mindanao, North Central Mindanao, Zamboanga Peninsula, and Southeastern Mindanao are considered high-interest mining areas, with rich deposits of gold, copper, iron, chromium, nickel, cobalt and manganese.

Mindanao also has vast potential for renewable energy sources. Substantial volumes of agricultural residues are a potential source of biomass energy; Siargao Island and Davao Oriental are ideal sites for ocean energy generation; while Surigao is a potential site for wind power.

Power Situation

Energy security is crucial to the continued growth of industries in Mindanao.

Given its high decency on hydropower, climate change poses a real threat to Mindanao's energy security. Increasing incidence of El Niño have reduced water levels and hampered Mindanao's power supply. The situation has been aggravated by the degradation of Mindanao's watersheds like Lake Lanao, which is the primary source for the Agus Hydro- Electric Power Plants. Mindanao is projected to have lower rainfall in the coming years as a result of climate change. This will further reduce water levels and further constrain hydropower sources on which Mindanao is largely dependent on.

[1] Source: National Economic Development Authority's Mindanao Strategic Development Framework 2010 - 2020

As shown in Table 5, in 2015, the capacities in Mindanao inched up significantly compared to previous years after the entry of new power plants coming from base-load coal (150 MW Therma South Coal Unit 1), oil (20.9 MW Peak Power Soccsargen, 5.9 MW Peak Power ASELCO, and 7.8 MW King Energy - Maramag) and solar (12.5 MW Kirahon Solar Farm and 6.2 MW Centralla Solar Farm). On the other hand, the dependable capacity of hydro declined by 3 MW due to deratings.

Table 5: 2015 vs. 2014 Installed, Dependable and Capacity, Mindanao (in MW)

Fuel Type	Mindanao						2015
	Installed Capacity			Dependable Capacity			Available Capacity
	2015	2014	Diff.	2015	2014	Diff.	
Coal	382	232	150	340	210	130	340
Oil Based	807	773	34	724	693	31	507
Natural Gas	0	0	0	0	0	0	0
Geothermal	108	108	0	98	98	0	98
Hydro	1,061	1,061	0	837	840	(3)	619
Wind	0	0	0	0	0	0	0
Biomass	36	36	0	10	10	0	0
Solar	20	1	19	15	0	15	0
TOTAL	**2,414**	**2,211**	**203**	**2,025**	**1,851**	**174**	**1,563**

Source: DOE List of Existing Power Plants, December 2015

POWER GENERATION

The effect of the El Niño phenomenon which started in the last quarter of 2015 was mostly pronounced in Mindanao that caused hydro generation to fall by 887 MWh or 18.7% as shown in Table 6. This caused rotating blackouts in distribution utilities which are dependent on the Agus and Pulangi Hydro power plants of the National Power Corporation – Power Sector Assets and Liabilities Management Corporation (NPC-PSALM) for their power supply. However, this decline was neutralized by the increase in generation output from other new sources such as large coal and oilbased power plants. There is also a noted decrease in the generation of geothermal due to the extended maintenance of Mt Apo Geothermal Power Plant during last August 2015.

Table 6: 2015 and 2014 Comparative Gross Generation, Mindanao

MINDANAO GRID						
Plant Type	2015		2014		Difference	
	GWh	% Share	GWh	% Share	GWh	% Growth Rate
Coal	2,038	20.1	1,258	13.3	780	62.0
Oil-based	3,369	33.3	2,599	27.4	770	29.6
Geothermal	842	8.3	864	9.1	(22)	(2.5)
Hydro	3,858	38.1	4,745	50.1	(887)	(18.7)
Biomass	21.4	0.2	13.9	0.2	7.5	54.0
Solar	1.55	0.0	1.48	0.0	0.07	4.8
Total Generation	**10,130**	**100.0**	**9,481**	**100.0**	**649**	**7.6**

Source: DOE Power Statistics 2015

THE COMPANY

Company Overview

ACR is a Philippines-based investment holding company. The Company is engaged in the business of exploration of oil, petroleum and other mineral products. The Company's business, conducted through its subsidiaries and associates, is grouped into various categories, such as Energy and Power, Property Development and Other Investments. ACR's investment in Energy and Power business is through four holding firms namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation and Alsons Thermal Energy Corporation. ACR is engaged in the Property Development business through its subsidiary, Alsons Land Corporation (ALC). ALC is engaged in an approximately 72-hole golf course development with a residential component called the Eagle Ridge Golf and Residential Estate. ACR, through ACR Mining Corporation (ACR Mining), is engaged in the acquisition of interest in Manat Mining Claims[2].

History

The Business

ACR was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. (Tegre) in March 1995.

In 1994, the Alcantara Group, through Alsons Power Holdings Corporation (APHC), acquired a 55.80% interest in Tegre through a swap of APHC's 50.78% stake in Northern Mindanao Power Corporation (NPMC). The Securities and Exchange Commission formally approved the stock swap on March 4, 1995 together with the increase in the Company's authorized capital stock from P1 billion to P3 billion.

The corporate name was changed to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. The Company's primary purpose was subsequently changed to that of an investment holding company, and oil exploration was relegated to a secondary purpose.

On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result of this reorganization, some of the Alcantara Group's established businesses became majority or minority owned subsidiaries of ACR and the Company's authorized capital was further increased from P3 billion to P12 billion.

ACR's core businesses, conducted through its various subsidiaries and associates, can be grouped into the following main categories: a) Energy and Power, b) Property Development, and c) Other Investments. A description of the general nature and scope of these businesses is presented below:

[2] http://markets.ft.com/data/equities/tearsheet/profile?s=ACR:PHS

Business Segments

Energy and Power

ACR's investment in the Energy and Power business is through four holding firms namely, Conal Holdings Corporation (Conal or CHC) and Alsing Power Holdings, Inc. (Alsing), Alsons Renewable Energy Corporation (AREC) and Alsons Thermal Energy Corporation (ATEC). Conal owns all of ACR's diesel plants operating power generation businesses, namely: (1) Alsing Power Holdings, Inc. at 80%, (2) Alto Power Management Corporation at 60%, and (3) Mapalad Power Corporation at 100%. Alsing, in turn, owns 55% of: (a) Western Mindanao Power Corporation; and (b) Southern Philippines Power Corporation. Further, ACR directly owns 20% of Alsing. AREC, which was organized on October 2, 2014 is currently in the process of developing Siguil Hydro Power Corporation and Kalaong Hydro Power Corporation, both in the renewable energy and holds 100% of these entities. ATEC was organized on December 3, 2015. ACR currently owns 100% interest in ATEC, which now owns 75% interest in Sarangani Energy Corporation. ACR now owns 100% of San Ramon Power, Inc. (SRPI).

ACR also formed Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011 which will be the operations and maintenance company of Sarangani and SRPI once these plants become operational. ATEC is currently folding in 100% interest of ACES.

ACR also has a majority-owned subsidiary, Alto Power Management Corporation, which handles the operations and maintenance of power plant projects outside of the country.

The four (4) operating power generation subsidiaries, Western Mindanao Power Corporation (WMPC), Southern Philippines Power Corporation (SPPC), Mapalad Power Corporation (MPC), and Sarangani Energy Corporation are all located in Mindanao.

WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City was under an 18-year "Build-Operate-Own" (BOO) agreement with National Power Corporation (NPC) until December 2015. SPPC, on the other hand, operates a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 15 kilometers east of the city proper of General Santos, which also used to be under a BOO arrangement with NPC for 18 years until April 28, 2016.

MPC rehabilitated and started operating 98 MW of the 103MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government on February 27, 2013. The Company entered into Power Sales Agreements (PSA) with various distribution utilities and electric cooperatives, namely Holcim Philippines, Inc. (10MW); Iligan Light and Power, Inc. (10MW); South Cotabato II Electric Cooperative, Inc. (30 MW); Zamboanga City Electric Cooperative, Inc. (18 MW); Agusan del Norte Electric Cooperative (15 MW); Agusan del Sur Electric Cooperative (10 MW); Zamboanga del Sur I Electric Cooperative, Inc. (5 MW) and Zamboanga del Norte Electric Cooperative (5MW).

Sarangani Phase I started commercial operations on April 29, 2016. A coal-fired power plant, it already has PSAs for a tenor of 25 years with South Cotobato II Electric Cooperative (SOCOTECO2), Inc to supply its 70 MW requirement, Agusan del Norte Electric Cooperative, Inc (ANECO) for 10 MW, Agusan del Sure Electric Cooperative, Inc. (ASELCO) with 10 MW and Davao del Norte Electric Cooperative, Inc. (DANECO) with 15 MW.

For Sarangani Phase II, it already has established PSAs for 90% of its capacity for a tenor of 25 years with the following: Iligan Light and Power Inc. (ILPI), Cagayan Electric Power and Light Company, Inc. (CEPALCO), Davao del Sur Electric Cooperative, Inc. (DASURECO), South Cotobato I Electric Cooperative (SOCOTECO1), North Cotobato Electric Cooperative, Inc. (COTELCO), Zamboanga del Sur I Electric Cooperative, Inc. (ZAMSUFECO1), Zamboanga del Norte Electric Cooperative, Inc. (ZANECO) and Misamis Oriental II Electric Cooperative, Inc. (MORESCO2).

Both Sarangani Phase I and Sarangani Phase II are mostly funded through loans obtained from local banks.

The Mindanao Grid, where the four power plants of ACR's Energy and Power business operate, is dominated by power generated by the Agus Hydroelectric System. However, when the water of Lake Lanao is at a critical level, the Agus System cannot service the full demand of the Mindanao Grid. The power plants of Sarangani, MPC, SPPC and WMPC, among others, are therefore called for dispatch necessary to address this deficit. As the demand for power in Mindanao is expected to grow rapidly over the next few years, these power plants will play an important role in providing adequate and stable power for Mindanao.

Expected to play a prominent role in assuring adequate and economic power supply to the Mindanao Grid is the 210MW Coal-Fired Power Station Project in Maasim, Sarangani. The 105 MW Phase 1 of Sarangani's 210 MW coal-fired power project started commercial operations last April 29, 2016. On December 10, 2012, ACR entered into a Shareholders Agreement with Toyota Tsusho Corporation (TTC) of Japan, wherein TTC agreed to subscribe to 25% of the total equity of Sarangani. The construction was undertaken by Daelim Industrial Co.,Ltd. of Korea and Daelim Phils., Inc.. Sarangani's Phase 2 is expected to begin construction in late 2016 and is scheduled to be completed in 2019. In addition, ACR is also developing through a subsidiary, SRPI, a 105MW Coal-Fired Power Station Project (ZAM100) in Zamboanga City. ZAM100 will supply power to Zamboanga City and other parts of the Zamboanga Peninsula. SRPI obtained its Environmental Compliance Certificate (ECC) on March 20, 2012.

Property Development

ACR is also engaged in the Property Development business through its subsidiary, ALC. Established on November 25, 1994, ALC was primarily involved in a 72-hole golf course development with a residential component called the "Eagle Ridge Golf & Residential Estate" in General Trias, Cavite.

The Eagle Ridge Golf & Residential Estate (Eagle Ridge) is a joint venture between ALC and Sta. Lucia Realty Development, Inc. As part of the above estate, there is an Eagle Ridge Golf and Country Club with four completed signature golf courses and three fully operational clubhouses.

To maximize the use of its remaining land holdings, ALC is also engaged in the development of other types of housing products. Re-packaging its properties to better suit emerging market niches in the property sector, ALC launched "Campo Verde", a joint venture project with Sunfields Realty Development, Inc. The 11-hectare property is located in Batangas,and an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish themed homes that are ideal for young to growing families.

Through subsidiary Kamanga Agro-Industrial Economic Development Corporation, ACR is also developing the Kamanga Agro-Industrial Economic Zone, where the power plant of Sarangani is located in the Municipality of Maasim, Province of Sarangani, and was accredited in the Philippine Economic Zone Authority (PEZA) as an agricultural and light-industry zone. Enterprises will be encouraged to set up their businesses in, or relocate to, this "Ecozone" to enjoy incentives prescribed by law through the PEZA.

To further expand its interest in the energy sector, the Company is presently considering several investment opportunities also in Mindanao.

Other Investments

In 2007, ACR infused capital in ACR Mining amounting to P195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (ADIC or ALDEVINCO) to explore and develop the Manat Mining Claims situated in the provinces of Davao del Norte and Compostela Valley. ACR Mining was formerly known as ACR Management Corporation. Its initial activity involved the acquisition of ADIC's interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial no. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipality of Nabunturan, province of Compostela Valley and in the Municipality of Maco, Province of Davao del Norte. Previous exploration work at the project area Magas. Detailed work on the Magas Vien Zone (MVZ) so far revealed an estimate inferred resource of 2.7 million tons containing: 2.8 g/t gold, 26 g/t silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On May 24, 2015, the Board of Directors approved and declared ACR Mining as property dividend of record date of June 5, 2015. The SEC approved the Certificate of Filing the Notice of property Dividend on August 11, 2015. The Bureau of Internal Revenue issued its Certificate Authorizing Registration on February 22, 2016.

To further expand its interest in the energy sector, the Company is presently considering several investment opportunities also in Mindanao.

Business Segments Contribution to Revenues

The contribution of each segment of the business to the consolidated revenues of the Company are as follows:

Table 7: Contribution of each segment of the business

	(Amounts in Thousand PhP)			% to Total		
	2015	2014	2013	2015	2014	2013
Energy and Power	P5,002.696	P5,159.454	P3,316,193	100%	100%	100%
Property Development	19,000	20,617	27,343	0%	0%	1%
	P5,021,696	P5,180,071	P3,343,536	100%	100%	100%

Income from foreign sources amounting to P25 million in 2015 and 2014 and P27 million in 2013 represents fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia.

Properties

The Company's energy and power operations are located in four different sites. WMPC's own power plant is on a 9-hectare property in Sitio Malasugat, Sangali, Zamboanga City. SPPC's operations are conducted on a 16-hectare property located in Alabel, Sarangani Province, and 13 kilometers east of the city proper of General Santos. CHC's Plants 1 and 2, which are operated by MPC, are in an 8-hectare property in the Municipality of Lugait, Misamis Oriental, and in the City of Iligan. WMPC and SPPC fully own their respective properties. The power plants in Lugait, Misamis Oriental and City of Iligan were acquired by virtue of a Deed of Sale between the City of Iligan and CHC dated February 27, 2013. The lots on which the power plants of CHC are located were acquired by MPC from Alsons Development and Investment Corporation by virtue of the deed of sales dated November 21, 2013. The power plant of Sarangani is located in the Municipality of Maasim, Sarangani Province.

ALC, the Company's property development company, has properties in the Province of Batangas, in the Municipality of Cabuyao in the Province of Laguna, and along Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City. Its Batangas property currently has residential developments.

The Company maintains its corporate headquarters at the Alsons Building, Makati City, which is owned by ALC.

All of these properties are in good condition.

Table 8 – Property, Plant and Equipment (consolidated)

(Amounts in Thousand Pesos)	December 31, 2015	December 31, 2014
Main Engine of Power Plant	P7,897,194	P7,923,546
Land, Buildings and Leasehold Improvements	4,417,171	818,286
Plant Mechanical, Switchyard and Desulfurization Equipment	872, 079	4,417,171
Machinery and Other equipment	344,929	337,278
Construction in Progress	13,297,824	10,907,983
Cumulative Translation Adjustments	(2,413,269)	(2,446,672)
Total	24,415,928	21,957,592
Less: Accumulated Depreciation and Amortization	(8,739,796)	(8,547,049)
Net Book Value	P15,676,132	P13,410,543

Investment Acquisition

On October 9, 2015, the Board of Directors approved the subscription to Non-Voting Preferred Shares in ALDEVINCO amounting to P2.2 billion. The preferred shares are entitled to receive out of the unrestricted retained earnings of the ALDEVINCO, cumulative dividends at the rate of 4% per annum of the par value of the Preferred Shares, before any dividends shall be paid to holders of the Common Shares.

On February 27, 2013, CHC acquired from the Iligan City Government, the 98 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II valued at P387 million. MPC rehabilitated the two plants at total cost of P800 million, the capacity has now increased to 103MW.

APHC, also a company under the Alcantara Group, entered into a placement agreement (the Agreement) with Indophil Resources N.L., (IRNL or Indophil) to purchase the 207,708,334 shares in two (2) tranches. On December 26, 2011, APHC incorporated Alsons Prime Investments Corporation (APIC) as a wholly owned subsidiary primarily to hold the Indophil investment. The Agreement was concluded on February 6, 2012, with APIC owning 17.26% of Indophil's total outstanding shares.

Subsequently, on September 23, 2014, APIC offered to acquire all Indophil's issued shares not already owned by APIC under a Scheme of Agreement. Under the Scheme, APIC offered Indophil shareholders A$0.30 cash for each share that they owned. With the consent of Indophil's shareholder's of the scheme during the December 18, 2014 shareholder's meeting and the final approval by the Australia Supreme Court on January 13, 2015, payment to all shareholders on the share register as at the Record Date of January 20, 2015 except for shares already owned by APIC's affiliates, ACR and Alsons Corporation (AC), was completed on January 28, 2015. In July 2015, APIC was bought by a third party and ceased being part of the Alcantara Group. Accordingly, the Joint Voting Agreement of IRNL shares between the Parent Company, APIC and AC was deemed terminated.

On December 11, 2015, the Company entered into a Deed of Assignment of Shares (share swap) agreement with APIC whereby the former assigned and transferred to the latter all its interest in exchange for ownership interest in IRPI. Accordingly, the Company reognized the investment in IRPI amounting to P1,213 million representing the carrying value of the investment at date of the share swap agreement.

The transfer of the Company's investment in IRNL to investment in IRPI has no commercial substance since the Parent Company still exercises significant influence over IRPI due to its representation in the Board of Directors and Operating Committee of the Board of IRPI. Accordingly, ACR treats its investment in IRPI as "Investment in associate" using the equity method in 2015 consolidated financial statements.

Mr. Nicasio I. Alcantara, Director of AC and Alsons Development and Investment Corporation, has been Indophil's non-executive Director since December 2011. Mr. Paul G. Dominguez on the other hand, is also a member of the Board of Directors of Alsons Development and Investment Coporation and is presently the Chairman of IRPI.

Sources and Availability of Raw Materials and Supplies

Materials and supplies used by SPPC for power generation include fuel and lubricating oils. Pilipinas Shell Petroleum Corporation directly supplies the fuel oil and lubricating oil requirements of the plants. Wartsila Corporation of Finland supplies the engine parts and majot maintenance services needed by the plants.

MPC and WMPC signed a Fuel Supply Agreement with Phoenix Petroleum Corporation for the supply of approximately 4-8 M liters of fuel per month for each plant. The agreement is valid until April 5, 2017 for MPC and Decemebr 13, 2018 for WMPC. Similar to WMPC and SPPC, MPC has also agreements with Pilipans Shell Petroleum Corporation for the supply of its lubricating oils and with Wartsila Corporation for the supply of its engines.

Research and Development

ACR and its subsidiaries do not allocate specific amounts or a fixed percentage for research and development. All research, if any, are done by its subsidiaries and affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

Employees

As of June 30, 2016, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 407 employees, broken down as follows: 5 executives, 24 managers, 109 supervisors and 269 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

Competition

Aside from the numerous housing developments competing in Batangas, Cavite and Laguna areas, a shift in the market forces has prompted a slowdown in sales for the Eagle Ridge Golf and Residential Estates. Economic and affordable housing developments of Filinvest, Camella Homes, and Amaia have gained a foothold in the region.

While several generation companies have either commenced construction of coal-fired power stations or announced plans to build them, Sarangani has secured its position in the market by entering into PSAs with various distribution utilities. Having secured the approval of the Energy Regulatory Commission of these PSAs, Sarangani is assured of the market for its capacity.

The diesel power stations of WMPC, SPPC, and MPC are presently fully contracted. Smaller embedded power stations have started operation in the franchise areas of some electric cooperatives but because the output of WMPC, SPPC, and MPC are competitively priced and their performance proven over years of reliable operation, these power companies continue to be the preferred supplier of most distribution utilities.

Competitive Strengths

1. In-depth knowledge of the Mindanao region

The Alcantara group has been operating in Mindanao for over 60 years engaging in forestry and wood processing, property development, power generation, cement, product distribution, agriculture, aquaculture, insurance, utilities. ACR benefits from this extensive business network by being able to build established relationships and acquire in-depth local knowledge of its operating environment and principal shareholders.

2. Experience Management Team

One of the strengths of the Company is its seasoned management team. The management team has relevant and extensive experience in the operation and management of power assets both here and abroad. They have deep understanding of the power industry and an extensive experience in the development and operation of greenfield power projects. Through their extensive experience, they have demonstrated successes in raising and negotiating financing for the power projects, and negotiating construction, supply and the offtake agreements. They have also established strong relationships with various stakeholders.

Table 9: Key Executives

Key Executives	Profiles
Tomas I. Alcantara Chairman and President	* Holds various managing and operating position in the Alcantara group * Former Undersecretary of Department of Trade and Industry * Former Managing Head of the Board of Investments * Former President of the Manila Economic & Cultural Office * MBA from Columbia University * Attended Advanced Management Program at Harvard Business School
Editha I. Alcantara Director and Treasurer	* Holds various positions or directorships in Alcantara Group, Philippine Business for the Environment, Miriam College, and Philippine Wood Producers Association * MBA from Boston College
Tirso Santillan, Jr. Executive Vice President	* Over 20 years of experience in the power industry and has been with ACR since 1995 * Overall head for the power division and overseas existing projects and new investments * Previously worked with the First Pacific Group and with Clark Development Corp. * Bachelor of Arts degree in Engineering and Masters in Business Management from Ateneo de Manila University
Luis R. Ymson, Jr. Chief Financial Officer	* Chief Financial Officer of ACR and Alcantara Group since 2006 * Extensive investment banking experience with UBP Capital Corporation, Allied Banking Corporation, Metropolitan Bank & Trust Co., and First Metro Investment Corporation * Bachelor of Science degree in Industrial Management

	Engineering minor in Mechanical Engineering from the De La Salle University.

Table 10: Key Executives in Power Division

Key Executives in power division	Profiles
Joseph C. Nocos Vice President Project Development Head Power Sales and Marketing Head	* Over 24 years of experience in the power industry and has been with ACR since 1992 * Head of development for all of ACR's power plants in Mindanao and abroad, and markets power to offtakers and evaluates new investments. * Bachelor of Arts degree in Economics from Ateneo de Manila University.
Edgardo D. Sevilles Vice President for Diesel Operations	* Over 37 years of experience in the power industry and has been with ACR since 1993 * Head of ACR's diesel power projects and manages operations of existing plants * Part of the team for project development and due diligence of diesel power plants * Also served as Head of Power Barge Fleet in NPC for 19 years * Masters in Management from Asian Institute of Management and Registered Electrical Engineer
Nicandro R. Fucoy Vice President for Coal Operations	* Over 10 years of experience in the power industry and has been with ACR since 2011 * Head of ACR's coal power projects and overseas development of the coal plants * Also has 25 years of experience in the manufacturing and cement industry * Formerly Country Director of Cemex Thailand

3. Expertise in power plant development and operation

ACR has been in the power generation business for 23 years, and has demonstrated success in developing, financing and operating power projects both here and abroad. ACR has also established knowledge of the market and strong longstanding relationships with power customers.

Table 11: Power Plant Development & Operation

MAPALAD POWER CORPORATION	*From 1992 to 2006, developed and operated the 103MW diesel power plant (then named NMPC) in Iligan City under a BOT arrangement with NPC * Since 2013, reacquired from the Iligan City government and has successfully rehabilitated and restored the diesel power plant to full operation
Western Mindanao Power Corporation	* Since 1997, has been operating the 100MW diesel-fired plant in Zamboanga City under a BOO arrangement with NPC * Has historically exceeded the required level of availability as set under the ECA contract of 85%
Southern Philippines Power Corporation	* Since 1998, has been operating the 55MW diesel-fired plant in Sarangani Province under a BOO arrangement with NPC * Has historically exceeded the required level of availability as set under the ECA contract of 85%
AEO Power Management Corporation	*APMC has also provided management or consultancy services to power plants in Vietnam, Pakistan and Indonesia

Sarangani Energy Corporation

- Project Overview
  - The Sarangani Project is a two-phased coal power project with total rated net capacity of 211.5MW
  - The project is located at the 58-hectare Kamanga Agro-Industrial Economic Zone in Maasim, Sarangani
  - Notice to Proceed (NTP) for Sarangani Phase 1 was issued in January 2013 and COD was achieved in April 29, 2016
  - Limited Notice To Proceed (LNTP) for Sarangani Phase 2 was issued in July 2016 and construction is expected to be completed by 2019
  - Sarangani is 75% owned by ATEC and 25% owned by TTC

- Technical Overview

Table 12: Technical Overview

PARAMETERS	DETAILS
Gross Capacity	Sarangani Phase 1: 118.5MW Sarangani Phase 2: 118.5MW
Net Capacity	Sarangani Phase 1: 106.8MW Saragani Phase 2: 106.5MW
Net plant heat rate	Sarangani Phase 1: 10,663.5 kJ/kwh Sarangani Phase 2: 10,435.0 kJ/kwh
Average Availability	88.1%
Coal Storage Capacity	60 days (covered / open)

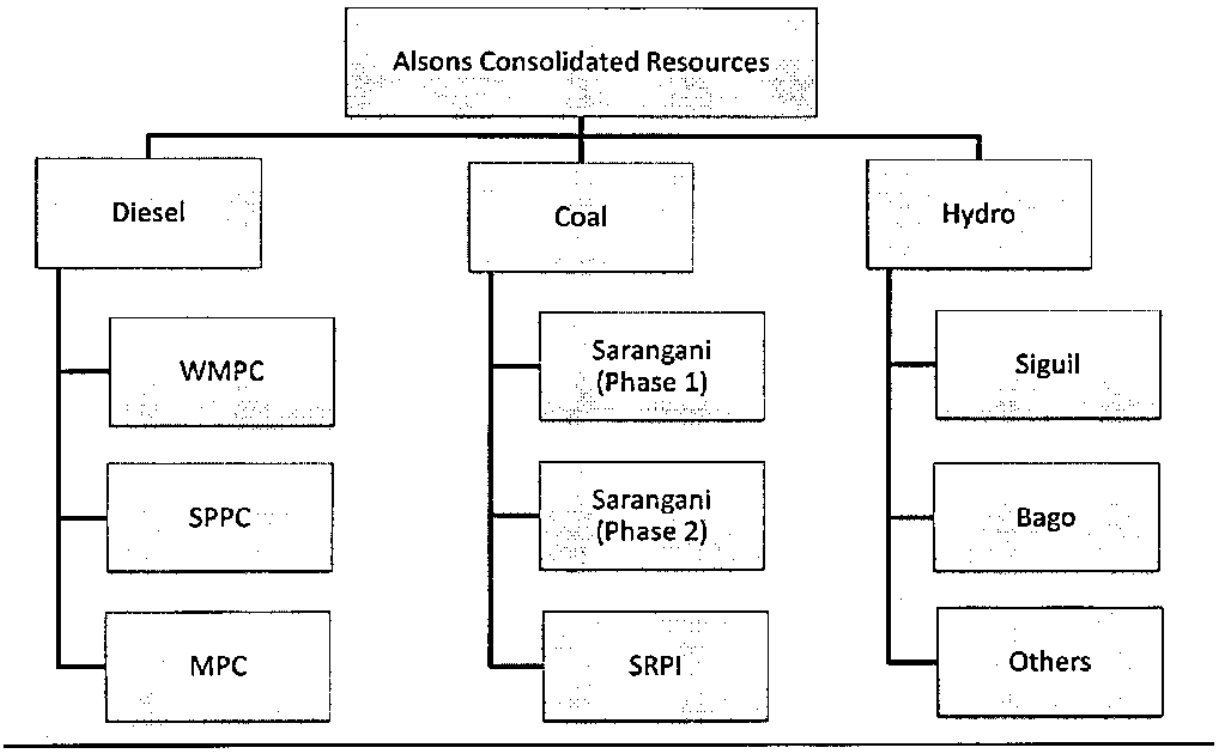
ACR's new power projects are grounded on:

- Committed project sponsors and partners – similar to its existing power plants, ACR and TTC will expand their partnership to the new coal-fired plants
- Project contracts (EPC contract, the Fuel Supply and Transportation Agreement, and the Operation & Maintenance Agreement) that have been crafted in accordance with international project finance standards
- Strong project management support from ÅF Consult, a Finnish engineering company with vast experience in thermal power construction and operation
- Power Supply Agreements mitigating offtake risks
  - Sarangani Phase 1 has PSAs covering 100% of capacity for a tenor of 25 years
  - Sarangani Phase 2 has PSAs covering 90% of capacity for a tenor of 25 years
  - SRPI has signed a 25-year PSA with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) for 80% of its capacity
- Experienced Operation & Maintenance (O&M) Firm
  - The Sarangani and SRPI plants' O&M will be supervised by PIC Marubeni

4. Enhanced competitiveness and sustainable growth

ACR's expansion to a balanced generation mix will allow it to:

- Provide a complete power solution to Mindanao grid
- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competitiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source



5. Focused Strategies

ACR's expansion strategy is driven by the needs of the Mindanao Grid and is supported by long-term offtake agreements.

- 1990s: Intermediate, peaking, and back up
- 2000s: Baseload
- Future: Renewables

ACR will position the diesel plants to perform roles that are not effectively and efficiently served by coal fired power plants.

- Intermediate and peaking capacity
- Back up capacity
- Ancillary service

ACR to develop its pipeline of hydro power projects to round up its generation mix with renewable sources

ACR's expansion will:

- Allow it to provide a complete power solution to the Mindanao grid

- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source.

Business Strategy

- ACR aims to maximize returns from its existing portfolio of oil-fired assets and to capitalize on underserved and growing baseload demand through the development of advanced coal-fired power stations. Management views that growth will be driven according to the needs in relation to the Mindanao grid.

- ACR's existing plants play an important role in the Mindanao grid due to their strategic location, wherein there is great demand for electricity. ACR likewise has the operating versatility in meeting baseload and peak demand requirements in Mindanao.

- ACR highlights that its Bunker C – fired diesel plants will be essential in carrying out ACR's business strategies. It will perform/cover tasks that will not be served by its coal-fired plants. These diesel capacities will be sold to cover intermediate and peaking supply, as well as provision of back-up power and ancillary services.

Plans and Programs

ACR has four (4) operating power plants in Mindanao. Majority of its power plants are Bunker C –fired diesel and coal fuel types, with a total power capacity of about 363 MW in operation. Around 211.5 MW are still under construction and development. ACR expects its power capacities to further expand once all of its projects are completed,

While other power generation companies have recently entered Mindanao, ACR believes that its reliable and efficient service would be its primary strength to secure long-term PSAs. Sarangani Phase I which commenced commercial operation only last April 29, 2016, has already contracted its full capacity under long-term PSAs. A coal-fired power plant, Saragani Phase I, already has PSAs for a tenor of 25 years with South Cotobato II Electric Cooperative, Inc. to supply its 70 MW requirement, Agusan del Norte Electric Cooperative, Inc. for 10 MW, Agusan del Sure Electric Cooperative, Inc. with 10 MW and Davao del Norte Electric Cooperative, Inc. with 15 MW.

For Sarangani Phase II, it already has established PSAs for 90% of its capacity for a tenor of 25 years with the following: Iligan Light and Power Inc., Cagayan Electric Power and Light Company, Inc., Davao Del Sur Electric Cooperative Inc, South Cotobato I Electric Cooperative, North Cotobato Electric Cooperative, Inc., Zamboanga del Sur I Electric Cooperative, Inc., Zamboanga del Norte Electric Cooperative, Inc. and Misamis Oriental II Electric Cooperative, Inc.

San Ramon Power Inc., ACR's third coal fired power plant will be located on a leased site in Zambo Ecozone. This plant is intended to serve the Zamboanga region. SRPI is expected to be in operation by 2019 but has already contracted and signed a 25-year PSA with ZAMCELCO for 85% of its capacity.

ACR has plans of investing in renewable energy. The Group has identified hydropower resources in Mindanao and Visayas that may be implemented under the Renewable Energy Act. ACR expects its hydro projects to start construction by end 2016 and 2017. Apart from hydro-powered projects, the group is also looking into solar-power projects in Mindanao and is also planning to participate in the retail electricity supply business.

ACR's plan is to reach a level of balanced generation mix where it can serve the complete power requirements of its customers (i.e. baseload, intermediate, peaking, back-up as well as ancillary). Apart from enhancing its market position, this strategy, will in turn diversify its revenue mix, as well as minimize potential risks that may arise.

Dividends

Declaration of dividends is subject to approval by the Board of Directors. In its meeting of May 22, 2015, the Board approved the payment of cash dividends of P0.008 per preferred share and P0.01 per common share to stockholders of record on June 5, 2015 and a property dividend of one ACR Mining Shares for every 200 ACR Shares held. The cash dividends were paid on June 16, 2015 while the shares of stocks of the property dividend were distributed on March 22, 2016, 30 days after the release of the Certificate Authorizing Registration by the Bureau of Internal Revenue on February 22, 2016. A summary historical dividend declarations is presented in Table 13.

Table 13: Historical Dividend Declarations

Year	Date of Declaration	Per Share	Amount	Date of Record	Date of Payment
2014	May 23, 2014	0.016	P100,664,000	June 30, 2014	July 24, 2014
2013	March 21, 2013	0.016	100,664,000	May 23, 2013	June 14, 2013
2012	May 4, 2012	0.010	62,915,000	May 18, 2012	June 14, 2012
2011	May 20, 2011	0.011	69,206,500	June 6, 2011	June 13, 2011
2010	March 26, 2010	0.010	62,915,000	April 20,2010	May 17, 2010
2009	December 18, 2009	0.010	62,915,000	January 11, 2010	January 29, 2010

Management continously endeavors to increase ACR's share value through new projects and expansion programs while at the same time provide yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's unappropriated retained earnings.

Government Approvals and Permits

- DENR Environmental Compliance Certificate (ECC)
- LGU Endorsements
- DPWH Permits
- National Commission on Indigenous People (NCIP)
- Port Permits
- SAPA
- Water Permits
- Philippine Economic Zone Authority
- ERC Certificate of Compliance

Effects of Existing or Probable Government Regulations on the Company's Business

Republic Act No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations provide for the significant changes in the power sector which include among others:

i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
ii. Creation of a Wholesale Electricity Spot Market within one year; and
iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and between transmission and distribution companies, and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied, with the applicable provisions of the EPIRA and its IRR.

Cost and Effect of Compliance with Environmental Laws

ACR engages only in projects and activities that comply with environmental laws. Its power subsidiaries follow the regulations embodied in the EPIRA. All its plants meet the exhaust emission standards set by DENR. Compliance with existing environmental laws has corresponding costs, which include expenditures for the following: (1) renewal fees for the DENR permit/license to operate; (2) exhaust emission tests and monitoring (costs covered by the environmental guarantee fund), (3) environmental monitoring fund (SPPC P500,000 and WMPC P586,000), and (4) environmental guaranty fund (SPPC P500,000 and WMPC P598,000). SPPC has spent for desulfurization facilities amounting to P11,785. The Company meets all governmental, environmental, health and safety requirements. The Company's operating units are regularly inspected and have not experienced significant governmental, environment, health or safety problems. For the past three years, the total amounts spent in complying with environmental laws by the subsidiaries are as follows: (1) P5,130,967 in 2015; (2) P6,721,230 in 2014; and, (3) P3, 270, 768 in 2013.

Legal Proceedings

SPPC has a long-outstanding receivable that is disputed by NPC, which SPPC and NPC arbitrated before the Energy Regulation Commission (ERC). On June 3, 3013, ERC decided in favor of SPPC. On June 23, 2013, NPC elevated the case to the Court of Appeals (CA), which also decided in favor of SPPC. On August 17, 2015, the CA denied NPC's motion for reconsideration. On September 18, 2015, NPC elevated the case to the Supreme Court (SC). On July 4, 2016, the SC decided in favor of SPPC. Thereafter, NPC moved for reconsideration, which motion is pending.

Some of the subsidiaries or affiliates of the Company are also from the time to time involved in routine litigation as well as various legal actions incidental to their respective operations as follows. However, in

the opinion of the Company's management, none of these legal matters, in which its subsidiaries or affiliates are involved, will be material to the Company's financial condition and results of operations.

Bankruptcy Proceedings

The Company has not contemplated ay plan for bankruptcy, receivership, or similar proceedings. Neither is there any material reclassification, merger, consolidation, nor sale of any significant amount of assets in the ordinary course of business.

Market Information

The public trading price of the Company's common shares for the last three (3) year in the Philippine Stock Exchange is presented in Table 14.

Table 14- Market Price of ACR Shares

Year		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High	P1.59	P2.10	P2.03	
	Low	1.19	1.36	1.60	
2015	High	2.36	2.26	1.98	P1.76
	Low	1.94	1.87	1.41	1.33
2014	High	1.50	2.30	2.20	2.12
	Low	1.27	1.40	1.90	1.93
2013	High	1.58	1.45	1.51	1.44
	Low	1.22	1.25	1.31	1.25

Stock Price as of September 30, 2016 was at P1.61 per share.

Stockholders

As of June 30, 2016, ACR has 6,291,500,000 common shares outstanding held by 466 stockholders. The top twenty stockholders of the Company, as recorded by Prime Stock Transfer Services,Inc.,the Company's stock transfer agent, are as follows:

Table 15 – Top Twenty (20) Stockholders

Name	No. of Shares Held	% to Total
1. Alsons Corporation	2,592,524,072	41.21%
2. Alsons Power Holdings Corp	1,249,999,600	19.87%

3. Alsons Development and Investment Corp.	1,188,524,026	18.89%
4. PCD Nominee Corporation (Filipino)	1,140,489,577	18.12%
5. PCD Nominee Corporation (Non-Filipino)	75,624,000	1.20%
6. Rennie C. Tan	7,000,000	0.11%
7. Felicisimo I. Alcantara	6,027,574	0.09%
8. SEC Account No. 2 fao: Various Customers of Guoco Securities	2,090,000	0.03%
9. All Asia Capital Trust & Investment Division	1,830,000	0.03%
10. EBC Securities Corporation	1,030,000	0.02%
11. Felipe A. Cruz, Jr.	1,000,000	0.02%
12. Nora T. Go	1,000,000	0.02%
12. First Integrated Capital Securities Inc.(555300)	900,000	0.01%
13. First Integrated Capital Securities Inc.(555200)	795,000	0.01%
14. Ansaldo, Godinez & Co., Inc.	755,000	0.01%
15. George Go	750,010	0.01%
16. AACTC FAO Trinity Investment	680,000	0.01%
17. Esteban Yau	600,000	0.01%
18. Roy C. Tia	513.000	0.01%
19. S.J. Roxas & Co., Inc.	507,000	0.01%
20. Antonio Co	500,000	0.01%
20. Mendoza, Martinez %/or Alberto Mendoza	500,000	0.01%
20. Quiambao, Antonio S.	500,000	0.01%
20. Roqueza, Ricardo S.	500,000	0.01%
20. San Jose, Roberto V.	500,000	0.01%
20. Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%
20. Western Guaranty Corporation	500,000	0.01%
Total shares of top 20	6,275,671,859	99.75%

Submission of Matters to a Vote of Security Holders

During the calendar year covered by this report, no business matter was submitted to a vote of security holders through solicitation of proxies or otherwise other than an election of the Directors.

Directors and Senior Management

The Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the Directors and Officers of the Company and their business experience for the last five years.

Table 16 – Board of Directors

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President and Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Conrado C. Alcantara	Filipino
Independent Director	Jacinto C. Gavino, Jr.	Filipino
Independent Director	Jose Ben R. Laraya	Filipino
Director	Honorio A. Poblador III	Filipino
Independent Director	Thomas G. Aquino	Filipino

Tomas I. Alcantara, 69, Filipino, became the Chairman of the Board of Directors and the President of the Company in August 2001. He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Masters in Business Administration (MBA) from Columbia University, and he attended the Advanced Management Program of the Harvard Business School. He is presently the Chairman of the Board of Directors and President of Alsons Development and Investment Corporation and Sarangani Agricultural Company, Inc., and other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Adtx Information Systems, Inc. (since August 2001). He is a Trustee of the European IT Service Center Foundation (since August 2002) and of the Foundation for Revenue Enhancement (August 2004). He has been a Director of Holcim Philippines, Inc. since July 2003, Philweb Corporation (May 2002) and DBP-Daiwa Capital Markets Phils., Inc. (July 1995).

Mr. Alcantara served as Undersecretary for the Industry and Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation forum in 1996. He was also the Chairman of the Board of Directors and the President of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and has served as a Director of that company since 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003 to April 2006 and Chairman of the Manila Economic and Cultural Office from March 2001 to August 2010.

Editha I. Alcantara, 67, Filipino, has served as a Director of the Company since March 8, 1995. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a Director (since 1980) and the Treasurer (since October 2000) of other companies in the Alcantara Group.

She is also a Director of the Philippine Wood Producers Association (since May 16, 1980), and has served as a Trustee for the Philippine Business for the Environment, Inc. since July 1995 and as a Trustee of Miriam College since December 1998.

Tirso G. Santillan Jr., 72, Filipino, became a Director of the Company in June 11, 1996. He has also been the Executive Vice-President since April 27, 1995. He holds a Bachelor of Arts degree in Engineering and a Masters in Business Management degree from the Ateneo de Manila University.

Presently, he heads the Power Business Unit of the Alcantara Group. He has been the Executive Vice-President of Alto Power Management Corporation since January 1996, Conal Holdings Corporation since June 1997, Southern Philippines Power Corporation and Western Mindanao Power Corporation since March 1996. He is also a Director of Sarangani Agricultural Co., Inc. since May 2002.

Additionally, he has been the Managing Partner of Private Capital of Asia Ltd. Since June 1991. Mr. Santillan worked with the First Pacific Group from February 1987 to May 1991.

Alejandro I. Alcantara, 61, Filipino, has served as a Director of the Company since July 2003. He graduated from the Ateneo de Davao with a degree in Economics. Mr. Alcantara has been a Director and the President of Aquasur Resources Corporation since 1993 and has served in the same capacity with Finfish Hatcheries, Inc. since 1995. He has also served as the Executive Vice President and General Manager of Sarangani Agricultural Company, Inc. since 1986 and of Alsons Aquaculture Corporation since 1998. He also became a Director and the Treasurer of the Federation of Cattle Raisers Association of the Philippines from 1997 to December 2009.

Ramon T. Diokno, 68, Filipino, rejoined the Company as a Director in March 18, 2009. Previously, he served the Company as a Director from June 19, 2002 to June 29, 2006 and as its Chief Financial Officer from January 16, 2001 to June 30, 2006. He holds an Economics and Accountancy degree from the De La Salle University and a Masters of Science in Management degree from the Massachusetts Institute of Technology.

Mr. Diokno is also the Chief Financial Officer of Lepanto Consolidated Mining Co and its wholly-owned subsidiaries. He is currently also a Director of Alsons Insurance Brokers Corporation.

Conrado C. Alcantara, 43, Filipino, has served as Director of the Company since November 2010. He graduated from the Boston University with a degree in Political Science and attended a Post Baccalaureate Program in Management at Harvard University. He presently serves as a Director and President of Infinicor, Inc. He also became a Director of C. Alcantara and Sons, Inc. in July 2006 and of Alsons Land Corporation in July 2009.

Jacinto C. Gavino, Jr., 66, Filipino, has served as Independent Director of the Company since May 2005. He has been a full-time Faculty of the Asian Institute of Management (AIM) since 1990 and he presently holds the Fr. James F. Donelan, SJ, Professional Chair Business Ethics. He is on the core faculty of the Washington SyCip Graduate School of Business (WSGSB). He was also the Associate Dean of the Master in Management Program from 1993 to 1995, and Associate Dean for Research from 1995 to 1999.
He is currently a Director of Productronica Holdings, Inc. (2003), Aurotech Corporation (2000), Green Chemicals Corporation (2006), RNuable Energy Corporation (2011) and Sarangani Agricultural Co., Inc. (2005). He also serves as a Trustee of Fundacion Santiago (2002) and the Center for Family Ministries at

the Loyola School of Theology (2006). He also does consultancy work for various businesses and non-profit organizations.

Professor Gavino holds a Bachelor of Science degree in Electrical Engineering from the University of the Philippines (1971), a Master in Business Administration degree from the Ateneo de Manila University (1984), and a Doctorate in Public Administration from the University of the Philippines (1993). He also taught in the Ateneo de Manila University, Maryknoll College, and the University of the Philippines.

Jose Ben R. Laraya, 76, Filipino, has served as Independent Director of the Company since March 1995. He holds a Commerce degree from De La Salle College and an MBA from the University of the Philippines. He also attended the Advanced Management Program at Harvard Business School. Currently, he serves as Chairman of the Board of Directors of Ultrex Management and Investments Corporation (1992) and Laraya Holdings, Inc. (2007). He also serves as President of Trully Natural Food Corporation (2004), and a Director of La Frutera, Inc. (1997).

Previously, he served as Vice-Chairman of the Philcom Corporation from October 1996 to February 1999, President of National Steel Corporation from September 1980 to February 1989, Dole Asia from February 1989 to June 1992, and APC Group, Inc. from September 1995 to February 1999.

Honorio A. Poblador III, 70, Filipino, has served as a Director of the Company since March 8, 1995. He holds a Political Science degree from the Ateneo de Manila University. Currently, he serves as Chairman of the Board of Directors of Asuncion Realty Corporation (since 1995), Chairman of the Board of Directors and President of Asmaco, Inc. and President of Asian Aesthetic Excellence, Inc. and Mayriad Human Resources and Services, Inc.

He is also a Director of Philippine Communications Satellite Corporation, Philippine Overseas Telecommunications Corporation, and Elnor Investment Corp. (since 1983), Philcomsat Holdings Corporation (1998), the Philodrill Corporation (1997), F&C Realty Corporation and POB Corporation (2003).

Dr. Thomas G. Aquino, 67, Filipino, became an Independent Director of the Company in May 20, 2011. He is a Senior Fellow at the Center for Research and Communication of the University of Asia and the Pacific (UA&P). He was formerly the Senior Undersecretary of Philippine Department of Trade and Industry. He supervised the country's foreign trade promotions, trade negotiations under World Trade Organization and the ASEAN Free Trade Agreements as well as bilateral trade talks with the country's major economic trading nations. He served as overall lead negotiator for the country's first free trade agreement, namely the Philippine-Japan Economic Partnership Agreement and was country representative to the High Level Task Force on ASEAN Economic Integration. For public service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was recipient of the Gawad Mabini Award with the rank of Grand Cross (or Dakilang Kamanong) for distinguished service to the country both at home and abroad by the President of the Republic of the Philippines.

Before entering public service, Dr. Aquino held important roles in the fields of economics and business in the private sector as Vice President for Business Economics and Director of the Strategic Business Economics Program of UA&P. He returned to private practice as strategy consultant to companies and economic policy adviser to government entities. He is the Chairman of NOW Corporation and Independent Director of A Brown Company, both publicly listed at the Philippine Stock Exchange. He

obtained his Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

The Executive Officers

The following Company Executive Officers do not own more than 2% of ACR:

Table 17 – The Executive Officers

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Chief Financial Officer	Luis R. Ymson, Jr.	Filipino
Corporate Secretary	Roberto V. San Jose	Filipino
Assistant Corporate Secretary	Angel M. Esguerra III	Filipino

Luis R. Ymson, Jr., 62, Filipino, has been the Chief Financial Officer of the Company since June 30, 2006. He is also Chief Financial Officer of the Alcantara Group since June 5, 2006. He holds a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University, and pursued an MBA degree from the same university.

He has extensive investment banking experience from his previous employment with Allied Banking Corporation and UBP Capital Corporation from 1992 to 1996 and First Metro Investment Corporation and Metropolitan Bank and Trust Co. from 1996 to 2001. He previously served as Chief Finance Officer of the Philippine Daily Inquirer and Director / President of its affiliate, Newspaper Paraphernalia, Inc. until 2004.

Roberto V. San Jose, 74, Filipino, has been the Corporate Secretary of the Company since June 1991. He received his Bachelor of Arts degree from De La Salle University and his law degree from the University of the Philippines. He is a member of the Philippine Bar and a Consultant of the Castillo Laman Tan Pantaleon and San Jose Law Offices. In addition to serving as Corporate Secretary for the Company, he serves as Director, Officer, and/or Corporate Secretary of the Anglo Philippine Holdings Corp., CP Equities Corporation, Atlas Resources Management Group, MAA Consultants, Inc. and several other companies. He is also the Corporate Secretary of Premiere Horizon Alliance Corporation, Marc Ventures Holdings, Inc., Solid Group Inc., United Paragon Mining Corporation, FMF Development Corporation, Beneficial Life Insurance Co., Inc., The Metropolitan Club, Inc., and other client corporations of the Castillo Laman Tan Pantaleon and San Jose law firm.

Angel M. Esguerra III, 55, Filipino, was appointed as the Assistant Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

Family Relationship of Directors and Officers

Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara, and Ms. Editha I. Alcantara are siblings, while Mr. Conrado C. Alcantara is their nephew. There are no other family relationships known to the Company up to the 4th civil degree.

Independent Directors

The following are the Company's Independent Directors. They are neither officers nor substantial shareholders of ACR:

1. Jacinto C. Gavino, Jr.
2. Jose Ben R. Laraya
3. Thomas G. Aquino

Significant Employee

There are no persons other than the Executive Officers that are expected by the Company to make a significant contribution to the business.

Family Relationships

Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara, and Ms. Editha I. Alcantara are siblings, while Mr. Conrado C. Alcantara is their nephew. There are no other family relationships known to the Company up to the 4th civil degree.

Compensation of directors and executive officers

A Director's compensation consists of a per diem of P30,000 for every meeting of the Board of Directors' and P15,000 for every meeting of the Executive Committee or Audit Committee

Sections 9 and 10 of the Amended By-Laws, which pertain to compensation and other arrangements with the Directors, read:

> " Section 9. Compensation of Directors. Each Director shall receive, for his services as Director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him provided, that nothing herein contained shall be construed to preclude any Director from serving the company in any other capacity and receiving such compensation therefore as may be fixed from time to time by the Board of Directors.
>
> Section 10. Profit Sharing. The Board of Directors shall be authorized and empowered to pay or distribute to the members of the Board of Directors and the Executive Committee, and the officers of the Corporation, amounts of up to five percent (5%) of the net income before tax in each year, to be allocated at its discretion. If the income arises from the consolidation, or equity accounting of earnings or subsidiaries or affiliates, the computation of net income subject to

profit sharing, shall be based on the cash or property dividends declared and actually received by the Company during the year."

The aggregate amounts paid by the Company to its Directors and Executive Officers as a group were P3,210,000 and P3,145,000 for the years 2015 and 2014, and P2,400,000 in 2013, respectively. For 2016, the Company estimates that it will pay an aggregate amount of P3, 780,000 as compensation to its Directors and Executive Officers.

Table 18 – Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary (Php)	Bonus (Php)	Other Annual Compensation Income (php)
Tomas I. Alcantara	2016est	-	-	P 315,000
Chairman and	2015	-	-	285,000
President	2014	-	-	310,000
	2013	-	-	240,000
Editha I. Alcantara	2016est	-	-	420,000
Director and	2015	-	-	255,000
Treasurer	2014	-	-	345,000
	2013	-	-	315,000
Tirso G. Santillan,	2016est	-	-	420,000
Jr.	2015	-	-	375,000
Director, EVP and	2014	-	-	405,000
COO	2013	-	-	270,000
Jose Ben R. Laraya	2016est	-	-	420,000
Director	2015	-	-	345,000
	2014	-	-	405,000
	2013	-	-	330,000
Ramon T. Diokno	2016est	-	-	315,000
Director	2015	-	-	300,000
	2014	-	-	270,000
	2013	-	-	210,000
All other Officers	2016est	-	-	1,890,000
and Directors as a	2015	-	-	1,650,000
group unnamed	2014	-	-	1,410,000
	2013	-	-	1,035,000

Annual Compensation received from ACR consists of per diems given for every attendance in meeting of the Board, Executive Committee, or Audit Committee. The disclosure on the compensation of Key Management Personnel as a Group is presented in Note 20 of the audited consolidated financial statements. The Company has no current compensation plan.

The Company and the Executive Officers are not involved in any of the following transactions:

1. Standard arrangement and any material arrangements;
2. Employment contract (between the registrant and named Executive Officers);
3. Compensatory plan or arrangement;

4. Outstanding warrants or options;
5. Adjustments or amendments on the stock warrants or options.

The members of the Compensation Committee of the Company are as follows:

1.	Tomas I. Alcantara	-	Chairman
2.	Honorio A. Poblador III	-	Member
3.	Jose Ben R. Laraya	-	Member (Independent Director)
4.	Tirso G. Santillan, Jr.	-	Member

Warrants and Options

The Company has no share-based compensation plan granted to its employees, and does not grant warrants or options to any of its Directors or Executive Officers.

Voting Trust Holders of 5% or More

No person holds five percent (5%) or more of the issued and outstanding shares of stocks of the Company under a voting trust or similar agreement.

Change in Control
There are no changes in controlling interest of the Company during the period covered by this report.

Certain Relationships and Related Transactions

During the last three (3) years, the Company was not a party to any transaction in which a Director or Executive Officer of the Company, any nominee for election as a Director, or any security holder owning more than 5% of any class of the Company's issued and outstanding shares and/or his/her immediate family member, had a material interest thereon.

In the normal conduct of business, the following are some of the Company's transactions with its affiliates and related parties disclosed in the audited financial statements under Notes 17 (Loans Payable), 18 (Long-term Debt), and 20 (Related Party):

I. On October 9, 2015, the Company subscribed to 22 million redeemable preferred shares of Aldevinco, a shareholder of the Company, through a conversion of the Company's advances to Aldevinco amounting to P2.2 billion. The redeemable preferred shares have a par value of P100 per share with cumulative dividend of 4% per annum and are non-participating. The Company accounts for its investment in these redeemable preferred shares as part of AFS investment in the Financial Statements.

II. On December 27, 2011, the Company acquired 72% of the outstanding shares of C. Alcantara and Sons, Inc. (CASI) from Aldevinco, for a total consideration of P1.226 billion, which represents the market value of Lanang Landholdings of CASI as determined by an independent third party appraiser.

In 2014, CASI obtained its Tax Clearance from the Bureau of Internal Revenue and approval of the SEC for CASI's liquidation effective March 31, 2014. As a result, ACR received the Lanang Landholdings of CASI as a liquidating dividend amounting to P1.226 billion.

III. On March 21, 2013, Aldevinco and ACIL (collectively referred to as AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, wherein ALI would own 60% and AG would own 40% of the outstanding capital stock of a Joint Venture Corporation (JVC), Aviana Development Corporation (ADC), which shall develop the Lanang Landholdings in Davao. On September 17, 2013, ADC was incorporated, and ACR subscribed to 296 preferred shares and 32 common shares for 32.8% ownership in ADC.

IV. On December 11, 2015, the Company and AC entered into Deed of Assignment of Shares (share swap) agreements with Alsons Prime Investments Corporation, whereby the Company and AC assigned and transferred to APIC all their interests in Indophil Resources N.L., an Australian entity in exchange for ownership interests in Indophil Resources Philippines, Inc., a Philippine corporation ("IRPI"). Accordingly, the Company recognized the investment in IRPI, amounting to P1.213 billion, as representing the carrying value of the investment at the date of the share swap agreement. The Company still exercises significant influence over IRPI due to the Company's representation in IRPI's Board of Directors and its Operating Committee. Accordingly, ACR treats its investment in IRPI as "Investment in Associate" using the equity method in the 2015 consolidated financial statements.

There were no transactions to which the Company was a party during the past two (2) fiscal years where a Director, Executive Officer, nominee for Director, or stockholder owning more than 10% of the outstanding shares of the Company had a direct interest.

The Company retains the law firm of Castillo Laman Pantaleon and San Jose for legal services, where Atty. Roberto V. San Jose is a Consultant. During the last two fiscal years, 2015 and 2014, ACR paid the firm P1,557,560 and P472, 830 respectively. Included in the amount paid in 2015 are P1,197,560, which pertain to legal services rendered on the Fixed-rate Corporate Note facility documentation and review. The Company believes that the legal fees are reasonable for the services rendered.

With the Company's issuance of the voting preferred shares, the Company's ultimate parent company is Alsons Corporation or AC, which owns 68.63% of all the common and the preferred shares. The Company's outstanding common shares, which are all listed in the Philippine Stock Exchange, are owned and controlled by the following Companies: Alsons Corporation – 41.21%; Alsons Power Holdings Corporation – 19.87%; and Alsons Development and Investment Corporation – 18.89%.

Security Ownership of Certain Record and Beneficial Owners

As of April 6, 2016, the Company knows of no one who beneficially owns in excess of 5% of its common stock except as set forth below:

Table 19 – Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of shares held	%age
Common	Alsons Corporation [3] Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila	Affiliate	AC[4]	Filipino	2,592,524,072	41.21%
Common	Alsons Power Holdings Corp. [1] Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	APHC[2]	Filipino	1,249,999,600	19.87%
Common	Alsons Development and Investment Corp [1] 329 Bonifacio St., Davao City	Affiliate	ADIC[2]	Filipino	1,188,524,026	18.89%
Common	PCD Nominee Corporation[5] (Fil) MSE Bldg., Ayala Ave., Makati City	None	Various[6]	Filipino	1,140,489,577	18.13%

[3] The President and CEO of the Corporation, Tomas I. Alcantara, is the Chairman of the Board of Directors of the Company.
[4] The Alcantara Family beneficially owns AC, APHC and ADIC, and these stockholders will be represented at the Meeting by Mr. Tomas I. Alcantara.
[5] The PCD Nominee Corporation is not related to the Company
[6] There are no holders of more than 5% of common stock under PCD. The clients of the various PCD participants have the power to decide how the Company's shares are to be voted.

Security Ownership of Management

The table below shows the securities beneficially owned by all Directors, nominees, and Executive Officers of ACR as of April 6, 2016:

Table 20 – Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership [Direct (d) or Indirect (i)]	Citizenship	Percent of Ownership
Directors				
Common	Tomas I. Alcantara	1 (d)	Filipino	0.00%
Common	Editha I. Alcantara	100,000 (d)	Filipino	6.08%
Common	Alejandro I. Alcantara	1 (d)	Filipino	0.00%
Common	Jacinto C. Gavino, Jr.	1 (d)	Filipino	0.00%
Common	Ramon T. Diokno	1 (d)	Filipino	0.00%
Common	Jose Ben R. Laraya	100 (d)	Filipino	2.13%
Common	Conrado C. Alcantara	1 (d)	Filipino	0.00%
Common	Honorio A. Poblador III	100 (d)	Filipino	0.01%
Common	Thomas G. Aquino	100 (d)	Filipino	0.01%
Common	Tirso G. Santillan, Jr.	1 (d)	Filipino	91.77%
Subtotal		**100,406 (d)**		**100.00%**
Officers:				
Common	Tomas I. Alcantara	1 (d)	Filipino	0.00%
Common	Editha I. Alcantara	100,000 (d)	Filipino	4.74%
Common	Tirso G. Santillan, Jr.	1 (d)	Filipino	71.56%
Common	Roberto V. San Jose	500,000 (d)	Filipino	23.70%
	Luis R. Ymson, Jr.	-	Filipino	-
	Angel M. Esguerra III	-	Filipino	-
Subtotal		**600,002 (d)**		**100.00%**
Grand Total		**600,406 (d)**		

Sales of Unregistered Securities within the last two (2) years

There are no other securities sold for cash by the Company within thr last two (2) years that were not registered under the Securities Regulation Code.

Corporate Governance

In compliance with the SEC directive and in view of the ASEAN Corporate Governance Scorecard Assessment, the Company filed its Consolidated Changes in ACGR for 2015 on January 11, 2016. This is compiled and published in the Company website, in compliance with the SEC Memoranda No. 1 and 12, Series of 2014, requiring all publicly listed companies to consolidate all the ACGR updates and changes for the year and label the consolidated changes as "Consolidated Changes in ACGR for (year)".

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited financial statements, including the related notes, contained in this Prospectus. This Prospectus contains forward-looking statements that are based largely on the Company's current expectations and projections about future events and trends affecting its business and operations. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set out in "Risk Factors." In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors."

Review of Operations as of June 30, 2016

Results of Operations

The six months financial results showed P3,201 million revenues, 28% higher than the P2,501 million revenues in 2015. The increase was due mainly to the start of commercial operations of Sarangani which commenced on April 29 this year and contributed P935 million in revenues. All the existing diesel plants were already merchant plants.

Cost of goods sold and services was also higher in 2016 due mainly to the pass-on fuel cost of the diesel plants. Sarangani on the other hand, contributed P730 million in direct cost during the period. As a result gross profit significantly lower this year at P724 million from P973 million in 2015 and gross profit rate from 39% to 23%.

Due to the one-time expenses incurred this year, general and administrative expenses increased significantly by 29% from P203 million to P263 million this year. These one-time costs were related to the corporate re-organization of the CFB plants.

Net finance charges this year was at P221 million compared to last year's P81 million due mainly to the interest incurred on the project loan related to the construction of Sarangani phase 1.

Net other income of P11 million in 2016 versus a loss of P28 million incurred in 2015 due to the one-time loss resulting from a disposal of a portion of undeveloped property of Alsons Land during that year.

Due to the effect of higher finance charges this year, the consolidated net income before tax for the period was 62% lower at P251 million from P660 million in 2015. Provision for income tax was also lower this year at P94 million from P176 million in 2015 due to lower taxable income. Parent net income was lower at P52 million against the P219 million registered in the same period last year. The resulted 76% lower earnings per share of P0.0008 from P0.0035 in previous year.

The six months financial results in 2016 is in accordance with the operating plan and better than budget.

Review of Financial Position

ACR and subsidiaries posted total assets of P30,721 million, 2% higher than the P30,166 million at the end of 2015.

Current assets decreased by 3% from P7,903 million to P7,704 million brought about by the lower cash and cash equivalents during the period.

On the other hand, non-current assets increased 9% from P22,263 million to P23,017 million. This is due largely to the increase in property, plant and equipment resulting from the construction of Sarangani power plant during the period.

Total liabilities amounted to P20,110 million, 3% higher than the P19,566 million reported at the end of 2015. The loans payable drawdown of the project loan for Sarangani and the unpaid dividend declared by SPPC and WMPC during the period, resulted to the increase in total liabilities.

As of June 30, 2016, ACR's current ratio decreased from 3.36:1 to 3.28:1 and its debt to equity ratio also increased to 1.72:1 from 1.40:1 last year.

ACR's consolidated statement of cash flows showed that cash from operating activities is the major source of funding for payment of maturing loans, while cash flows from financing activities was used for additional capital expenditures.

Key Performance Indicators

The following key performance indicators were identified by the Company and included in the discussion of results of operations and financial condition for the six months ended June 30, 2016 and 2015. (Amounts in million pesos, except ratios)

Table 21: Key Performance Indicators

Financial KPI	June 30	
	2016	2015
Profitability		
Revenues	P3,201	P2,501
EBITDA	718	909
EBITDA Margin	22%	36%
Return on Equity	5%	19%
Net Earnings Attributable to Equity Holders	52	219
Efficiency		
Operating Expense Ratio	57%	26%
Liquidity		
Net Debt Coverage	6%	5%
Current Ratio	3.28:1	3.36:1
Debt-to-Equity Ratio	1.71:1	1.40:1
Asset-to-equity ratio	2.90:1	2.67:1
Interest Rate Coverage Ratio	2.14:1	8.48:1

Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased to 22% from 36% in the same period last year due mainly to lower income this year resulting from the change of Western Mindanao Power Corp. and Southern Philippines Power Corp. ECA with NPC to Merchant effective December 18, 2015 and April 18, 2016. Return on equity (ROE) also decreased from 19% to 5% due mainly to the lower net income generated during the current period.

Efficiency

For the six-month period ended June 30, 2016, the Company's three diesel plants sold 536 gigawatt hours of electricity – 24% less than the 710 gigawatt hours sold in the same period last year. Sarangani Energy Corporation's Section 1 started commercial operations on April 29, 2016 and contributed 122 gigawatt hours of electricity to Southern Mindanao. All these plants have significantly contributed in alleviating the power shortage in that of the Country. Operating expenses ratio however increased to 57% from last year's 26% due to higher non-recurring expenses during the period. The efficiency of the 2016 actual results of operation is in accordance with the operating plan and budget of the Company.

ACR's cash flows from operations this year increased 98% at P1,123 million from a last year's P564 million resulting from the timing of settlement of trade and other current liabilities during the period. Net debt coverage ratio decreased to 2% from 4% in 2015 due to the higher operating cash flows, while current ratio slightly decreased to 3.28:1 from last year's 3.36:1 resulting from lower cash and cash equivalents during the period.

Description of Key Performance Indicators:

a. **Revenues.** Revenue is the amount of money that the Company and its subsidiaries receive arising from their business activities and is presented in the top line of the consolidated statements of income. The present revenue drivers of the Company are: (i) Energy and power; and (ii) Real estate. Revenue growth is one of the most important factors that management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making sound investment decisions.

b. **EBITDA.** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

c. **Net Earnings attributable to Equity Holders of Parent.** Net income attributable to shareholders is one more step down from net income on the consolidated statements of income. The net income of a company is all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This

aids management and investors in identifying a company's profit allocated to each outstanding share.

d. **Debt-to-Equity Ratio.** This measures the Company's financial leverage calculated by dividing its total liabilities by stockholder's equity. It indicates what proportion of equity and debt the Company is using to finance its assets.

e. **Current Ratio.** Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Material Changes in Balance Sheet Accounts by 5% or More
June 30, 2016 compared to December 31, 2015

a. **Cash and Cash Equivalents** – Decreased 16%

The decrease is due mainly to the timing of usage of cash by the operating Companies as well as the cash drawn from the project loan of Sarangani and the Parent Company during the period.

b. **Short-term Cash Investments –** Decreased 95%

The decrease is due mainly to usage of and the termination of placements by SPPC and WMPC during the year.

c. **Trade and other receivables** – increased by 42%

The increase is due mainly to the timing of collection of trade receivables during the period.

d. **Spare Parts and Supplies –** Increased 25%

The increase is due mainly to the spare parts billed-up of Sarangani during the period as well as usage of the SPPC, MPC and WMPC for their regular maintenance.

e. **Prepaid Expenses and Other Current Assets** – Decreased 31%

The decrease was due to the timing of payments of creditable withholding and value added taxes.

f. **Investment in Real Estate** – Decreased 87%

The decrease is due mainly to the transfer of the Parent Company's Lanang Land to Aviana Development Corporation, a Joint Venture Company with Ayala Group.

g. **Investment in Associates –** Increased 70%

The increase was due mainly to the transfer of the Parent Company's land to Aviana as its equity in the Joint Venture Company.

h. **Retirement Assets** – Decreased 17%

The decrease was due to the additional accrual of current service costs of SPPC and WMPC which were deducted from the balance of the retirement Assets during the year.

i. **Accounts Payable and Accrued Expenses** – Increased 12%

The timing of payments of trade payables led to the increase in this account during the period.

j. **Dividends Payable** – Increase 100%

The increase is due mainly to the unpaid dividend declared by SPC and WMPC during the period.

k. **Income Tax Payable** – Decreased 46%

Timing of payments of income tax payable led to the increase in this account during the period.

l. **Loans Payable** – Decreased 100%
The decrease was due to the full repayment of the loans payable during the period.

m. **Retirement Payable** – Decreased 25%

The settlement of retirement benefits of some SPPC employees caused the decrease in this account.

n. **Reserves** – Decreased 5%

The translation of US$ denominated assets of the SPPC and WMPC at current PHP exchange rate caused the decrease in this account.

o. **Non-controlling Interest** – Increased 25%

The share on non-controlling interest in consolidated net income during the period caused the increase in this account during the period.

Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of obligation.

Some of the subsidiaries or affiliates of the Company are from time to time involved in routine litigation and various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of the legal matters in which its subsidiaries or affiliates are involved have material effect on the Company's financial condition and results of operations.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Review of Year 2015 vs. 2014 Operations

Highlights of the Company's financial performance are as follows:

Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of P5,022 million in 2015, is lower than the P5,180 million reported in 2014. The 3% decline was due mainly to the lower energy fees brought about by the lower indices during the year in spite of higher energy sales volume generated by the 3 power plants of the Company.

Cost of services was reported at P3,072 million, 13% lower than the P3,548 million in 2014. The change in depreciable life of the power plants of SPPC and WMPC from original ECA period to another 10 years caused the decline in costs of services.

Gross profit improved by 20% in 2015 to P1,950 million from P1,632 million in 2014 due to lower costs.

General and administrative expenses was also lower in 2015 at P434 million from P467 million in 2014 due mainly to lower taxes and licenses. Operating profit as a result significantly improved at P1,516 million from P1,165 million reported in the previous year.

EBITDA was lower in 2015 at P1,591 million P2,088 million in the previous year due mainly to the foreign exchange loss incurred when the Company settled its US Dollar-denominated liability in 2015 at a higher Philippine Peso translation compared to the US Dollar.

Meanwhile, interest income was 8% higher in 2015 at P24 million from P22 million in 2014 due mainly to the higher cash placements during the year. Interest expense was 57% higher at P324 million in 2015 from P207 million in 2014, the interest expenses incurred for the project loan was capitalized to power plant cost of Sarangani Energy Corporation that is currently under completion during the year.

On the other hand, the Company realized a net other charges of P84 million in 2015 from an income of P109 million in 2014. The foreign exchange losses of a US Dollar-denominated debt caused the downturn in other income (charges) account.

Core income without the effect of foreign exchange however improved 23% from P741 million to P909 million and the net income attributable to the Company of P0.064 per share, was 14% higher than last year of P0.056 per share.

The non-recurring foreign exchange loss, however dampened the Company's net income to P691 million, 5% lower than last year's net income of P727 million. The earnings attributable to the equity holders of the parent were reduced to P189 million from last year's P359 million. As a result, basic earnings of P0.030 per share decreased from P0.057 per share in 2014.

Financial Position

As of December 31, 2015, total resources of ACR and Subsidiaries remained strong at P30,166 million, increasing by 17% versus the P25,725 million level reported in 2014.

Current assets grew by 1% from P7,843 million to P7,903 million. The increment came largely from the increase in cash and cash equivalents of Sarangani Energy Corporation as well as higher prepaid expenses, and deposit in interest reserve account on the Fixed Rate Corporate Note (FXCN) of the Company. Similarly, noncurrent assets rose by 24%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities decreased by 18% in 2015, from P2,463 million to P2,025 million, largely on account of lower current portion of long-term debt and accounts payable and accrued expenses. Noncurrent liabilities escalated by 36%, as Sarangani drew from its project loan to finance its capital expenditures as well as the availment by the Company of its FXCN Facility with various noteholders.
Accordingly, ACR's balance sheet remained strong with a current ratio at 3.90:1 in 2015 versus the 3.20:1 level in 2014, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 1.47:1 to 1.85:1.

Meanwhile, net cash inflows from operating activities decreased 31% from P1,977 million in 2014 to P1,368 million in 2015, as a result of higher acquisition of spare parts and supplies as well as prepaid expenses with a combined amount of P792 million during the year. Together with net cash inflows from financing activities amounting to P1,958 million, largely from loan availments, available funds totaled P3,301 million in 2015, were used for power plant project construction of Sarangani Phase 1 amounting to P1,520 during the year. The net cash balance after accounting for the above changes reached P3,940 million, 57% higher than last year's P2,512 million.

Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2015 showed continued improvement in core income at P909 million compared to the P741 million earned in 2014. KPI of the Company are as follows: (amounts in million pesos, except ratios)

Table 22: Comparative KPIs (2015 vs 2014)

Financial KPI	Calendar Year	
	2015	2014
Profitability		
Revenues	P5,022	P5,180
EBITDA	P1,591	P2,088
EBITDA Margin	32%	40%
Return on Equity	7%	7%
Net Earnings Attributable to Equity Holders	P188	P359
Efficiency		
Operating Expense Ratio	27%	40%
Liquidity		
Net Debt Coverage	8%	18%
Debt-to-Equity Ratio	1.85 : 1	1.47 : 1
Current Ratio	3.90 : 1	3.20 : 1

Profitability

The EBITDA of the Company decreased from P2,088 million to P1,591 million in 2015. EBITDA Margin also decreased from 40% in 2014 to 32% in 2015 due mainly to non-recurring foreign exchange loss during the year resulting from the settlement of the Company's US Dollar-denominated debt.

Return on Equity stood at 7% for both years. Net income attributable to the equity holders of the parent decreased to P188 million from P359 million in 2014 due to the above non-recurring loss during the year. The Company's core income however, improved to P909 million from last year's P741 million.

Efficiency

The Company's operating expense ratio decreased to 27% in 2015 from 40% in 2014. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant, which is a non-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 27%. Consequently, net debt coverage decreased to 8% from last year's 18%. Current ratio on the other hand improved to 3.90:1 from last year's 3.20:1.

Description of Key Performance Indicators:

- **Revenues.** Revenue is the amount of money that the Company and its subsidiaries receive arising from their business activities and is presented in the top line of the consolidated statements of income. The present revenue drivers of the Company are: (i) Energy and power; and (ii) Real estate. Revenue growth is one of the most important factors that management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power

for both the near and long-term timeframes. Revenue growth also aids management in making sound investment decisions.

- **EBITDA.** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

- **Net Earnings attributable to Equity Holders of Parent.** Net income attributable to shareholders is one more step down from net income on the consolidated statements of income. The net income of a company is all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying a company's profit allocated to each outstanding share.

- **Debt-to-Equity Ratio.** This measures the Company's financial leverage calculated by dividing its total liabilities by stockholder's equity. It indicates what proportion of equity and debt the Company is using to finance its assets.

- **Current Ratio.** Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Notes to Financial Statements

Accounting Policies and Principals
The consolidated financial statements of ACR for the years ended December 31, 2015 and 2014 are presented in accordance with Philippine Financial Reporting Standards applied on a consistent basis

Seasonality Aspects of the Business
The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents , 57% increase

The growth in cash and cash equivalents (2015: P3,940 million vs. 2014: P2,512 million) was principally due to receipt of the loan proceeds by Sarangani and the Company that remain unused as of the end of 2015. Cash generated from operations during the year was P1,368 million, 31% lower than previous year's P1,976 million. The proceeds of loan presented in financing activities amounting to P9,338 million was used to finance the on-going construction of the first phase of Sarangani's power plant.

2. Short-term cash investments, 402% increase

Short-term cash investments increased (2015: P173 million vs. 2014: P34 million) due to funds from operating activities.

3. Trade and other receivables, 56% decrease

The decrease was due to the conversion of a due from related party into an investment in preferred shares amounting to P2.2 billion.

4. Spare parts and supplies, 105% increase

The build-up consisted mainly of the purchase of spare parts for Sarangani during the year which is intended for its upcoming commercial operation in 2016.

5. Prepaid expenses and other current assets, 174% increase

The increase is due to the deposit in interest reserve account of the Parent as required by the Corporate Fixed Facility issued during the year.

6. Noncurrent portion of instalments receivables, 14% decrease

The decrease is due to collection of maturing accounts during the year.

7. Property, plant and equipment, 17% increase

The growth is due mainly to expenditures incurred for the construction of the first phase of Sarangani's power plant.

8. AFS financial assets, 1,904% Increase

The significant increase was due to the investment in preferred shares of Alsons Development and Investment Corporation with a cumulative dividend feature of 4% per annum.

9. Goodwill, 5% Increase

The change in the amount of goodwill was due mainly to the change in foreign exchange rate of Philippine Peso vis-à-vis the US $ from P44.72 in 2014 to P47.06 in 2015.

10. Retirement Plan assets, 36% Decrease

The decrease was mainly due to settlement of retiring employees of WMPC during the year as a result of the expiration of its ECA with NPC effective December 12, 2015.

11. Deferred Tax Assets, 55% Decrease

The decrease in payable to customers arising from the overbilling charged by Mapalad Power Corporation in the previous year caused the decrease in this account.

12. Accounts payable and other current liabilities, 8% Increase

The increase in accrued interest due to higher loan availments during the year caused the increase in accounts payable and accrued expenses accounts.

13. Loans Payable, 15% Increase

The availment of a short-term working capital facility of Mapalad Power Corporation during the year, caused the increase in this account.

14. Income tax payable, 46% Decrease

The decrease was due to the lower taxable income earned during the year.

15. Derivative liability, 100% Decrease

The embedded derivatives arising from the exchange option of APHC-ACR Loan Facility Agreement which was assigned to its Lender Bank in accordance with the Omnibus Loan and Security Agreement. The decline in derivative liability was the result of partial prepayment of the loan during the year thereby resulting to a mark-to-market gain. The salient features of this loan were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized. In 2015, the loan was fully settled and the remaining balance of derivative liability was derecognized.

16. Current and Long-term debt, 33% Increase

The increment was due to the drawdown from the project loan facility of Sarangani during the year as well as the availment of a P7.2 billion FXCN Facility and the settlement of the US$100 million UBS loan of the Company.

17. Retirement liabilities, 13% Decrease

The decrease was due mainly to the re-measurement of retirement benefit obligation as conducted by independent Actuary during the year.

Review of Current Year 2014 vs. 2013 Operations

Highlights of the Company's financial performance are as follows:

Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of P5,180 million in 2014, is higher than the P3,344 million reported in 2013. The 55% growth was due mainly to the full year commercial operations of MPC in 2014 adding P2,958 of revenues. MPC was re-acquired in February 2013 and started commercial operation in September that year.

Cost of services was reported at P3,548 million, 77% higher than the P1,998 million in 2013. MPC spent P2,256 million for its full year fuel requirements in 2014 vis-à-vis the P977 million incurred for the four (4) months operations in 2013.

Nonetheless, gross profit improved by 21% in 2014 to P1,632 million from P1,345 million in 2013 due to higher revenues.

General and administrative expenses was higher in 2014 at P467 million from P363 million in 2013 due mainly to higher business taxes, a non-controllable item. In spite of this, operating profit still improved by 18% to P1,164 million from P983 million reported in previous year.

Furthermore, EBITDA from continuing operations, which represented 40% of total revenues reached P2,088 million, 27% higher than the P1,640 million realized in 2013.

Meanwhile, interest income was 12% lower in 2014 at P22 million from P25 million in 2013 due mainly to the lower cash placements made during the year. In contrast, interest expense was 73% higher at P207 million in 2014 from P119 million in 2013, as a result of higher loan availments.

On the other hand, the Company realized other income of P109 million in 2014 versus reported loss of P49 million in 2013. Last year's other losses stemmed principally from the P101 million equity in net loss of its investment in Indophil as well as foreign exchange losses of P47million resulting from the revaluation of US Dollar-Denominated liabilities of the Company.

The net income attributable to the equity holders of the parent was reported at P359 million, 9% lower than the P395 million income in 2013. As a result, basic earnings of P0.057 per share decreased from P0.063 per share in 2013.

Without the P146 million one-time gain arising from the disposal of Lima Land, Inc. (LLI) in 2013, current year's level was 44% better. Correspondingly, basic earnings from continuing operations of P0.057 per share in 2014 was higher than the 2013 level of P0.040 per share.

Financial Position

As of December 31, 2014, total resources of ACR and Subsidiaries remained robust at P25,725 million, increasing by 43% versus the P17,989 million level reported in 2013.

Current assets grew by 13% from P6,841 million to P7,843 million. The increment came largely from the increase in Sarangani's cash and cash equivalents as well as higher prepaid expenses mainly value added tax. Similarly, noncurrent assets rose by 61%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities increased by 4% in 2014, from P2,367 million to P2,462 million, largely on account of higher trades payable. Noncurrent liabilities likewise escalated by 144%, as Sarangani drew from its project loan to finance its capital expenditures.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.20:1 in 2014 versus the 2.89:1 level in 2013, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 0.73:1 to 1.47:1

Meanwhile, net cash inflows from operating activities decreased by 5% from P2,090 million in 2013 to P1,977 million in 2014, as the 2013 balance included funds realized from discontinued operations. Together with net cash inflows from financing activities amounting to P5,693 million, largely from loan availments, available funds totalled P7,670 million in 2014. On the other hand, net cash outflows used in investing activities, mainly for the construction of the Sarangani power plant, amounted to 6,552 million. Including the effect of foreign exchange rate changes, ACR's consolidated cash reached P2,512 million, significantly higher than 2013 balance of P1,422 million.

Key Performance Indicators (KPI)

The Company's financial KPI for the year ended December 31, 2015 showed significant improvement compared to 2013 as follows: (amounts in million pesos, except ratios)

Table 23– Comparative KPIs (2014 vs 2013)

Financial KPI	Calendar Year	
	2014	2013
Profitability		
Revenues	P5,180	P3,344
EBITDA	P2,088	P1,640
EBITDA Margin	40%	49%
Return on Equity	7%	7%
Net Earnings Attributable to Equity Holders	P359	P395
Efficiency		
Operating Expense Ratio	40%	37%
Liquidity		
Net Debt Coverage	18%	46%
Debt-to-Equity Ratio	1.47 : 1	0.73 : 1
Current Ratio	3.20 : 1	2.89 : 1

Profitability

The EBITDA of the Company increase from P1,640 million to P2,088 million in 2014. EBITDA Margin however, decreased from 49% in 2013 to 40% in 2014 due to higher revenues during the year.

Return on Equity stood at 7% for both years. Net income attributable to the equity holders of the parent from continuing operations improved to P359 million from P249 million in 2013 as the Company's core income continue to improve.

Efficiency

The Company's operating expense ratio increased to 40% in 2014 from 37% in 2013. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant which is a non-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 1.2x. Consequently, net debt coverage decreased to 18% from last year's 46%. Current ratio on the other hand improved to 3.20:1 from last year's 2.89:1.

Notes to Financial Statements

Accounting Policies and Principals

The consolidated financial statements of ACR for the years ended December 31, 2014 and 2013 are presented in accordance with PFRS applied on a consistent basis

Seasonality Aspects of the Business

The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 77% Increase

The growth in cash and cash equivalents (2014: P2,512 million vs. 2013: P1,422) was principally due to receipt of the loan proceeds by Sarangani and the Company that remain unused as of the end of 2014. Cash generated from operations during the year was P1,977 million, 5% lower than previous year's P2,090 million. The proceeds of loan presented in financing activities amounting to P9,690 million was used to finance the on-going construction of the first phase of Sarangani's power plant.

1. Short-term cash investments, 291% increase

Short-term cash investments increased (2014: P34 million vs. 2013: P9 million) due to funds from operating activities.

2. Trade and other receivables, 7% Decrease

Receivables form related parties decreased (2014: 2,945 million vs. 2013: 3,208 million) resulting from settlements during the year. Related party transactions were subject to certain provisions, including interest and terms of repayment. The drop in related party receivables, however, was slightly offset with the higher trade receivables (2014: 762 million vs 2013: 610 million), with the full 2014 commercial operations of MPC.

3. Spare parts and supplies, 18% Increase

The build-up consisted mainly of the purchase of spare parts for MPC during the year which is reserved for contingency purposes.

4. Noncurrent portion of instalments receivables, 20% Decrease

The decrement is due to collection of maturing accounts during the year.

5. Property, plant and equipment, 101% Increase

The growth is due mainly to expenditures incurred for the construction of the first phase of Sarangani's power plant.

6. AFS financial assets, 110% Increase

The improved market values of these AFS financial assets caused the increase in values of these assets.

7. Retirement Plan assets, 10% Decrease

The decrease was mainly due to retirement expense incurred during the year.

8. Accounts payable and other current liabilities, 49% Increase

The increase in payable to customers representing amount of overbilled fees collected in 2013 and 2014 by MPC, caused the increase in accounts payable and accrued expenses.

9. Loans Payable, 67% Decrease

The reclassification into long-term debt of the amount availed to finance the construction of Sarangani Energy's power plant.

10. Income tax payable, 19% Increase

The higher taxable income caused the increase in income tax payable in 2014.

11. Derivative liability, 27% Decrease

The embedded derivatives arising from the exchange option of APHC-ACR Loan Facility Agreement which was assigned to its Lender Bank in accordance with the Omnibus Loan and Security Agreement. The decline in derivative liability was the result of partial prepayment of the loan during the year thereby resulting to a mark-to-market gain. The salient features of this loan were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized.

12. Current and Long-term debt,159% Increase

The increment was due to the drawdown from the project loan facility of Sarangani during the year as well as the availment of a US$73.5 million loan to partly finance the repayment of an existing loan with APHC. Details of the transaction are presented in Note 18 of the Financial Statements.

13. Retirement payable, 21% Decrease

The decrease was due mainly to the re-measurement of retirement benefit obligation as conducted by independent Actuary during the year.

14. Asset Retirement Obligation, 15% Decrease

The decline was due to the change in estimate resulting from discount rate changes. The assessment was based on best estimate of cash flows acquired to settle the obligation on an annual basis. The change in estimate resulted to a decrease in this account by P19 million.

External Audit and Fees

1. SyCip Gorres Velayo & Co. has been the Company's external auditor for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.

2. In compliance with SEC Memorandum Circular No. 8 Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2014.

3. There has been no disagreement with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

4. The Company has maintained SGV as its principal public accountant to audit the financial statement for the last fiscal year. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.

Members of the Audit Committee

Listed in Table 24 are the members and officers of the Company's Audit Committee:

Table 24: Company's Audit Committee

Office	Name
Chairman	Jose Ben R. Laraya
Member	Editha I. Alcantara
Member	Jacinto C. Gavino, Jr.
Member	Tirso G. Santillan, Jr.
Member	Ramon T. Diokno

Mr. Esperidion D. Develos, Jr. has been appointed as Chief Audit Executive and reports directly to the Audit Committee.

External Audit and Audit-Related Fees

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by SGV are as follows:

Fees for the years ended December 31, 2015 and 2014 were P498,900 and P811,519 respectively. The 2014 include the audit fees for the services done on Lima Land Subsidiaries covering the period ended

September 30, 2013 amounting to P197,022 and the Liquidation Report on C. Alcantara and Sons, Inc. for the period ended March 31, 2014 amounting to P123,200. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for 2015 and 2014. The fees and services were approved by the Audit Committee in compliance with the Code of Corporate Governance.

Brief Summary for the Approval of the Auditor's fees

The Audit Committee pre-approves all audit plans, scope, and frequency before the conduct of its external audit. Moreover, pursuant to its mandate, it likewise performs interface functions with both internal and external auditors.

The External Auditor confers and discusses with the Internal Auditors of the Company the auditing process adopted and methodologies used in compliance with International Accounting Standards in the initial draft of the Financial Statements and Notes to the Financial Statements in compliance with its Internal Management handbook and such other statutory and regulatory requirements.
The External Auditor, likewise, prepares an accountability statement that sufficiently identifies the officers responsible for the financial report.

The final form of the Annual Financial Statements is then presented to the Company's Audit Committee members who can properly review and further examine and perform their oversight financial management functions in such areas relative to the Company's credit, market, liquidity, operational, legal and other risks as indicated in its financial reports. The approval of the External Auditor's fees is made by the Audit Committee in view of the complexity of the services rendered and reasonableness of the fee under the engagement provided in the audit of the Company's Annual Financial Statements.

Changes in and Disagreements with Accountant on Accounting and Financial Disclosure

1. SGV has been the Company's external auditor for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.
2. In compliance with SEC Memorandum Circular No. 8 Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2014.
3. There have been no disagreement with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

MATERIAL CONTRACTS & AGREEMENTS

The Company's principal contracts generally consist of Memorandum of Agreements with Government agencies and different Corporations. The Company also has existing financing agreements. Save for the contracts mentioned below, the Company is not a party to any contract of material importance and outside the usual course of business, and the Directors do not know of any such contract involving the Company.

a. Operations and Maintenance (O&M) Service Agreements

AIL provides operations and maintenance services under and Advisory Service Agreement (ASA) to PT Makassar Power (PTMP), an IPP based in Indonesia. Under the ASA, AIL provides technical advisory services in connection with the operation and maintenance of a power plant in Indonesia for a monthly fee of $35,000 effective May 1, 2008 to April 2010, $38,800 effective May 2010 to July 2011,$44,600 from August 2011 to April 2012, and $46,600 from May 2012 to April 2015. On April 14, 2015, PTMP extended the Advisory Service Agreement with AIL for another year, starting from May 1, 2016.

Total billings to PTMP amounted to $25 million ($0.56 million) for both 2015 and 2014 and P24 million ($0.56 million) in 2013. Outstanding receivable from PTMP amounted to P6 million ($0.12 million) in 2015 and P5 million ($0.12 million) 2014.

In March 2013, SRPI entered into O&M Agreement with ACES for the operations and maintenance of the 105 MW coal-fired power plant. The Agreement is subject to termination by SRPI after the fourth operating year of the power plant and every year thereafter, upon at least a year's notice prior to the intended termination date. Under the O&M, SRPI should pay mobilization fee amounting to US$2.33 million and annual operation fee of US$1.95 million. As at March 18, 2016, SRPI has not yet started commercial operations.

b. Power Supply Agreements

SRPI , Saragani, and MPC entered into PSAs with various distribution utilities and electric cooperatives for a period of 25 years for SRPI and Sarangani and three (3) years for MPC from start of their commercial operations.

Contracted capacities are shown below:

Sarangani

Contracting Party	Contracted Capacity (in Mega Watts)
SOCOTECO II	70
Iligan Light and Power Inc.	27
Cagayan Electric Power and Light Company, Inc.	20
Davao Del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative	15
Agusan del Norte Electric Cooperative	10
Agusan del Sur Electric Cooperative	10
Cotabato Electric Cooperative Inc.	10

South Cotabato I Electric Cooperative	10
Zamboanga del Sur I Electric Cooperative Inc.	5
Zamboanga del Norte Electric Cooperative Inc.	5
Misamis Oriental Electric Cooperative II	3
	200

SRPI

Contracting Party	Contracted Capacity (in Mega Watts)
Zamboanga City Electric Cooperative Inc.	85
Zamboanga del Sur I Electric Cooperative, Inc,	10

MPC

Contracting Party	Contracted Capacity (in Mega Watts)
South Cotabato II Electric Cooperative Inc.	30
Zamboanga City Electric Cooperative, Inc.	18
Holcim Philippines, Inc.	10
Iligan Light and Power, Inc.	10
Agusan del Sur Electric Coopeartive Inc.	10
Zamboanga del Sur I Electric Cooperative, Inc.	5
Zamboanga del Norte Electric Cooperative, Inc.	5

In 2014, MPC also entered into PSA with Cagayan Electric Power and Light Group, Inc. for a period of one year and six months which MPC supplies on a non-firm basis.

On June 29, 2015, MPC entered into a PSA with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) filed an application for PSA for a period of ten (10) years from the time the obligations under PSA shall become effective which was provisionally approved by the ERC. WMPC shall supply to ZAMCELCO the contracted capacity of 50 – megawatt.

c. Loan Agreements

- On December 12 2012, Sarangani obtained a financing facility consisting of as syndicated term loan in the aggregate principal amount of P9,300 million brokern down as follows: (1) Series 1 Loan in the principal amount of up to P8,600 million for the construction of the Phase 1 100-MW coal-fired power plant and its common or shared areas and facilities; and (2) Series 2 Loan in the principal amount of up to P700 million for the construction of the transmission line. Sarangani should pay interest semi-annually at the rate equal to the higher of (a) PDST-F benchmark bid yield for five year-treasury securities plus 3.5% spread per annum, or (b) 7.5% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, to be adjusted based on the higher of (a) interpolated PDST-R2 benchmark bid yield for eight and one-half (8 ½)-year treasury securities plus 2.75% spread per annum, or (b) interest rate applicable on the initial borrowing.

- On July 15, 2013, MPC entered into a fixed interest rate long-term OLSA amounting to P900 million from a local bank. The loan is payable in 11 semi-annual principal amortizations beginning

immediately at the end of August 16, 2014, the first year from loan draw down, up to August 16, 2019. Interest is computed as the sum of the spread and the applicable benchmark rate, based on outstanding facility amount, and calculated on the basis of the actual number of days elapsed in a year of 360 days. The fixed rate shall be subject to a floor rate of 6.25% per annum, excluding gross receipt tax. The interest is payable every six months reckoned from August 16, 2013.

- On November 25, 2015, ACR entered entered into a fixed rate corporate notes facility with various noteholders with aggregate principal amount of P7.5 billion divided into two (2) tranches: (a) Tranche A with principal amount of P5.6 billion, subject to fixed interest rate of 7.24% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of P1.9 billion, subject to fixed interest rate of 7.92% and payable with seven (7) years from the drawdown date. Proceeds of the loan shall be used to prepay ACR's existing long-term debt and finance the investments in power-related assets.

d. Land Lease Agreement with ZAMBOECOZONE

On January 27, 2013, SRPI entered into a Land Lease Agreement with ZAMBOECOZONE for a period of 31 years from the execution of the Lease Agreement. The leased properties consist of: (a) 300,000 sq.m. for the Main Power Plant Area; and (b) 37,000 sq.m. for the Port Facility Area. Payment of monthly rentail will commence on October 1, 2013 and subject to fee escalation. On January 27, 2014, SRPI received billing from ZAMBOECOZONE covering period October 1, 2013 to December 31, 2013. However, SRPI requested for the deferment of the recognition of its rental obligations to ZAMBOECOZONE for the three (3) months period ended December 31, 2013 pending resolution of the certain conditions requisite for the start of rental payments. SRPI requested for revised billing to reflect the three-month deferment of the full rental rates.

On April 2, 2014, ZAMBOECOZONE issued a revised bill to SRPI amounting to P10.2 million for period starting January 1, 2014 to March 2015. In response to the revised billing, SRPI wrote to ZAMBOECOZONE on October 24, 2014 communicating that while the plant site was cleared of informal settlers, the conflicting positions taken by the Department of Agrarian Reform and the Office of Government Corporate Counsel on land use conversion have made the use of the land for industrial purposes uncertain. Despite the issue on land use conversion, SRPI tendered payment of P10.2 million to show good faith and willingness to continue wih the contract. As at March 18, 2016, SRPI has not yet received response from ZAMBOECOZONE. Meanwhile, the payment P10.2 million is recorded as security deposits under "Other noncurrent assets" account as December 31, 2015.

e. SPPC's lease with SACI

SPPC has a contract for the lease of land owned by Sarangani Agricultural Co., Inc. Until May 2026. The lease contract provides for annual rental of P1.3 million.

f. Energy Conversion Agreement (ECA)

SPPC, under an ECA with NPC, constructed a 55-megawatt bunker C-fired diesel generator power plants in General Santos City under a Build-Operate-Own scheme for a period of 18 years up to April 28, 2016. NPC supplied all fuel necessary to generate electricity, with all electricity generated purchased by NPC at a price calculated based on the formula provided in the ECA.

The ECA qualified as an operating lease as SPPC sold all its output to NPC.

Energy fees earned on the ECA amounted to P734 million ($15.5 million) in 2015, P747 million ($16.8 million) in 2014 and P739 million ($16.6 million) in 2013.

REGULATORY & ENVIRONMENTAL MATTERS

a. Electric Power Industry Reform Act (EPIRA)

Republic Act No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations (IRR) provide for the significant changes in the power sector which include among others:

i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
ii. Creation of a Wholesale Electricity Spot Market within one year; and
iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generatio and distribution companies within 5 years from the effectivity of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and between transmission and distribution companies, and a capof 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effcetivity of EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiarieshave complied, with the applicable provisions of the EPIRA and its IRR.

b. Clean Air Act

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries comply with the applicable provisions of the Clean Air Act and the related IRR.

c. Securities and Exchange Commission

Under the SRC, the SEC has jurisdiction and supervision over all corporations, partnerships or associations that are grantees of primary franchises, license to do business or other secondary licenses. As the government agency regulating the Philippine securities market, the SEC issues regulations on the registration and regulation of securities exchanges, the securities market, securities trading, the licensing of securities brokers and dealers and reportorial requirements for publicly listed companies and the proper application of SRC provisions, as well as the Corporation Code, and certain other statutes.

GENERAL CORPORATE INFORMATION

INCORPORATION

The Company is duly organized as a corporation under the laws of the Philippines and was registered with the SEC on December 24, 1974.

ARTICLES OF INCORPORATION AND BY-LAWS

The Articles of Incorporation of the Company were approved by the SEC on December 24, 1974. The latest amended Articles were approved by the SEC on August 11, 2014.

The By-Laws of the Company were registered with the SEC on December 24, 1974 and were amended on July 16, 2004.

PRIMARY PURPOSE

To acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise to operate, manage, enjoy and dispose of, any and all properties of every kind and description and whatever situated, as and to the extent permitted by the law, including but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements, and bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, owned or held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No. 2629)

CORPORATE TERM

The Company is authorized to exist for a term of 50 years from the date of its incorporation. This term may be renewed through an amendment to the Articles approved by the SEC.

FISCAL YEAR

The business year of the Company begins on the first day of January and ends on the last day of December of each year.

APPROVALS

The issuance and sale of the CPs were duly authorized by the Board of Directors of the Company on October 13, 2016.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Articles of Incorporation and By-laws are available for inspection at the principal office of the Company, during normal business hours on any day on which such office is open for business. Copies may also be inspected at the office of the SEC.

PHILIPPINE TAXATION

Following is a general description of certain Philippine tax aspects of investment by prospective CP Holders. This discussion is based upon Philippine tax laws, in particular the Tax Code, its implementing regulations and rulings in effect at the date of this Prospectus. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective CP Holders.

The tax treatment of a prospective CP Holder may vary depending on such CP Holder's particular situation and certain prospective CP Holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a prospective CP Holder.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of investment in the CPs and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the CPs under applicable tax laws of other jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the CPs in such other jurisdictions.

EACH PROSPECTIVE CP HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH CP HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE CPs, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines but who is not a citizen of the Philippines; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines"; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines. The term "foreign" when applied to a corporation means a corporation which is not domestic while the term "domestic" when applied to a corporation means a corporation created or organized in the Philippines or under its laws.

Taxation of Interest Income/Discount

The CPs will be, under current interpretation of the Tax Code, treated as, a deposit substitute instrument as such term is defined under the Tax Code. Interest income earned or yield or any other monetary benefit from the CPs realized by the CP Holders shall be taxed as described in the following sections.

Interest income/Discount earned by individuals

As a general rule, interest income earned or yield or any other monetary benefit from the CPs realized by individual citizens of the Philippines, resident aliens and non-resident aliens engaged in trade or business in the Philippines is subject to a final withholding tax at the rate of 20%.

Transfers or assignments of the CPs by the CP Holders are subject to a final tax on the interest income already earned by the transferor CP Holder which shall be borne by the CP Holder.

Interest income received by non-resident aliens not engaged in trade or business in the Philippines shall generally be subject to a final withholding tax of 25%. However, such tax rate may be reduced under an applicable tax treaty.

Interest income/Discount earned by corporations

Interest income earned or yield or any other monetary benefit derived by domestic and resident foreign corporations from the CPs shall be subject to a final withholding tax of 20% of such interest income.

On the other hand, interest income received by a non-resident foreign corporation shall be subject to 30% final withholding tax. This rate may also be reduced under an applicable tax treaty.

Interest income/Discount earned by trusts

A trust is generally taxed in the same way as an individual pursuant to the Tax Code which provides that the tax imposed upon individuals shall apply to the income of any kind of property held in trust (except qualifying employee's trust considered tax-exempt). Accordingly, since trusts are, for tax purposes, treated as an individual, interest income earned by trusts are likewise subject to the 20% final withholding tax.

Tax-exempt persons

All sums payable by the Issuer to tax-exempt persons shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission to the Registrar by the CP Holder claiming the exemption of reasonable evidence of such exemption.

DOCUMENTARY STAMP TAXES

The Tax Code imposes a documentary stamp tax on all debentures, certificates of indebtedness, due bills, bonds, loan agreements, deposit substitute debt instruments at the rate of ₱1.00 on every ₱200, or fractional part thereof, of the face value of such securities; Provided, that for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days. The Company has undertaken to pay the documentary stamp tax on the issuance of the CPs.

VALUE-ADDED TAX AND GROSS RECEIPTS TAX

At issuance, no VAT shall be imposable upon the CPs. Subsequent transfers shall similarly be free of VAT, unless the CP Holder is a dealer in securities. In that instance, the CP Holder shall be liable to pay 12% VAT on the gross income derived from the trading of the CPs.

Under Republic Act No. 9238, services rendered in the Philippines by, among others, banks, non-bank financial intermediaries, quasi-banks, finance companies, and other financial intermediaries not performing quasi-banking functions (excluding insurance companies) are exempted from the coverage of the VAT. The exemption, which took effect retroactively on 1 January 2004, reverts to the application of the GRT regime on services rendered by banks, non-bank financial intermediaries, quasi-banks, finance companies, and other financial intermediaries not performing quasi-banking functions (excluding insurance companies). Rates of GRT shall be as follows:

(1) Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions:

(a) On interest, commission and discounts from lending activities as well as income from financial leasing, on the basis of the remaining maturities of instruments from which such receipts are derived:
Maturity period is five years or less – 5%
Maturity period is more than five years – 1%
(b) On dividends and equity shares in net income of subsidiaries – 0%
(c) On royalties, rentals of real or personal property, profits from exchange and all other items treated as gross income under the Tax Code – 7%
(d) On net trading gains within the taxable year on foreign currency, debt securities, derivatives and other similar financial instruments – 7%

(2) Other Non-Bank Financial Intermediaries:

(a) On interest, commission, discounts and all other items treated as gross income under the Tax Code – 5%
(b) On interest, commission and discounts from lending activities as well as income from financial leasing, on the basis of the remaining maturities of instruments from which such receipts are derived:
Maturity period is five years or less – 5%
Maturity period is more than five years – 1%

ESTATE AND DONOR'S TAX

The transfer of the CPs by a decedent to his heirs, whether or not such decedent was residing in the Philippines, will be subject to an estate tax which is levied on the net estate of the deceased at progressive rates ranging from 5% to 20% if the net estate is over ₱200,000.

CP Holders, whether or not citizens or residents of the Philippines, will be subject to donor's tax upon the donation of the CPs to strangers at a flat rate of 30% of the net gifts. A "stranger" is defined as any person who is not a brother, sister (whether by whole- or half-blood), spouse, ancestor and lineal descendant or relative by consanguinity in the collateral line within the fourth degree of relationship. A donation to a non-stranger will be subject to a donor's tax at progressive rates ranging from 2% to 15% if the net gifts made during the calendar year exceed ₱100,000.

The estate tax, as well as the donor's tax in respect of the CPs, shall not be collected if: (a) the deceased at the time of his death or donation was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal

property of citizens of the Philippines not residing in that foreign country; or (b) the laws of the foreign country of which the deceased or the donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

TAXATION OUTSIDE THE PHILIPPINES

The tax treatment of non-resident CP Holders in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on such non-resident holders under laws other than those of the Philippines.

COVER SHEET

SEC Registration Number

						5	9	3	6	6

COMPANY NAME

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

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

2286 Don Chino Roces Ave. Extension, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	982 - 3000	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
466	May 27	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982-3000	

CONTACT PERSON's ADDRESS

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended 30 June 2016

2. SEC Identification Number 59366

3. BIR Tax Identification Number - 001-748-412

4. Exact name of registrant as specified in its charter: ALSONS CONSOLIDATED RESOURCES, INC.

5. Philippines
Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code:_____ (SEC Use Only)

7. Alsons Bldg., 2286 Pasong Tamo Extension,
Makati City — 1231
Address of principal office — Postal Code

8. (632) 982-3000
Registrant's telephone number, including area code

9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P 1.00 par value	**6,291,500,000 Shares**

11. Are any or all of these securities listed on the Philippine Stock Exchange ?

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange — Common Stock

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

TABLE OF CONTENTS

	Page No.
PART I -- FINANCIAL INFORMATION	**1**
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	26
PART II - OTHER INFORMATION	**30**
SIGNATURES	**32**
SCHEDULES	
Schedule of Accounts Receivable	Attachment A
Long-term debt	Attachment B
Schedule of Financial Soundness Indicators	Attachment C

COVER SHEET

SEC Registration Number: 59366

COMPANY NAME

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

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

2286 Don Chino Roces Ave. Extension, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	982 - 3000	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
465	May 27	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982-3000	

CONTACT PERSON's ADDRESS

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **30 September 2016**

2. SEC Identification Number **59366**

3. BIR Tax Identification Number - **001-748-412**

4. Exact name of registrant as specified in its charter: **ALSONS CONSOLIDATED RESOURCES, INC.**

5. **Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code:_____ (SEC Use Only)

7. Alsons Bldg., 2286 Pasong Tamo Extension,
   Makati City — **1231**
   Address of principal office — Postal Code

8. **(632) 982-3000**
   Registrant's telephone number, including area code

9. **Not Applicable**
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P 1.00 par value	**6,291,500,000 Shares**

11. Are any or all of these securities listed on the Philippine Stock Exchange ?

    Yes [X] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    Philippine Stock Exchange **Common Stock**

12. Check whether the registrant:

    (a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

    Yes [X] No [ ]

    (b) has been subject to such filing requirements for the past 90 days.

    Yes [X] No [ ]

TABLE OF CONTENTS

	Page No.
PART I -- FINANCIAL INFORMATION	**1**
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	26
PART II - OTHER INFORMATION	**30**
SIGNATURES	**32**
SCHEDULES	
Schedule of Accounts Receivable	Attachment A
Long-term debt	Attachment B
Schedule of Financial Soundness Indicators	Attachment C

Alsons Consolidated Resources, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at September 30, 2016 and for the Nine-Month Periods Ended September 30, 2016 and 2015
(With Comparative Audited Consolidated Balance Sheet as at December 31, 2015)

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMEBR 30, 2016
(With Comparative Audited Figures as at December 31, 2015)

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱2,770,163,893	₱3,939,847,554
Short-term cash investments (Note 4)	9,651,400	172,944,935
Trade and other receivables (Note 5)	2,045,484,083	1,763,100,597
Real estate inventories (Note 6)	635,957,162	636,575,584
Spare parts and supplies - at cost	638,032,261	496,350,993
Prepaid expenses and other current assets	613,442,382	894,177,645
Total Current Assets	6,712,731,181	7,902,997,308
Noncurrent Assets		
Noncurrent portion of installment receivables	6,758,473	6,758,473
Investments in real estate (Note 6)	196,534,616	1,463,639,767
Investments in associates (Note 6)	2,175,644,762	1,275,633,260
Property, plant and equipment	17,451,584,230	15,676,131,842
Available-for-sale (AFS) financial assets	2,341,019,271	2,345,573,271
Goodwill (Note 7)	1,052,063,536	1,052,063,536
Net retirement assets	22,956,952	28,746,272
Deferred income tax assets – net	13,690,764	13,690,764
Other noncurrent assets (Note 8)	419,953,860	401,189,408
Total Noncurrent Assets	23,680,206,464	22,263,426,593
TOTAL ASSETS	₱30,392,937,645	₱30,166,423,901
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 9)	₱1,498,454,291	₱1,348,533,548
Loans payable	52,000,000	300,000,017
Income tax payable	27,065,833	64,901,390
Current portion of long-term debt	313,874,264	311,720,556
Total Current Liabilities	1,891,394,388	2,025,155,511
Noncurrent Liabilities		
Long-term debt - net of current portion	17,015,863,148	16,868,288,633
Deferred income tax liabilities - net	586,861,751	596,994,524
Retirement benefits liabilities	4,959,610	6,488,611
Asset retirement obligation	150,366,633	69,380,652
Total Noncurrent Liabilities	17,758,051,142	17,541,152,420
Total Liabilities	19,649,445,530	19,566,307,931

(Forward)

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Equity (Note 10)		
Capital stock	₱6,322,483,333	₱6,318,083,333
Other equity reserves	1,773,585,769	1,767,643,490
Retained earnings:		
Unappropriated	802,625,402	797,647,185
Appropriated	1,300,000,000	1,300,000,000
Attributable to equity holders of the parent	10,198,694,504	10,183,374,008
Non-controlling interests	544,797,611	416,741,962
Total Equity	10,743,492,115	10,600,115,970
TOTAL LIABILITIES AND EQUITY	₱30,392,937,645	₱30,166,423,901

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Nine-Month Period Ended September 30		Three-Month Period Ended September 30	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
SALES OF SERVICES:				
Energy fees	₱4,871,938,115	₱3,774,367,637	₱1,685,678,384	₱1,295,343,804
Management fees	7,562,913	18,908,835	-	6,463,513
Sales of real estate	796,620	6,945,774	-	3,172,474
Rental income and others	9,115,408	7,646,403	3,024,470	2,078,919
TOTAL REVENUE	4,889,413,056	3,807,868,649	1,688,702,854	1,307,058,710
COSTS AND EXPENSES				
Direct costs	(3,675,679,369)	(2,325,002,937)	(1,198,559,475)	(796,782,030)
General and administrative expenses	(339,660,766)	(299,916,655)	(76,802,788)	(96,684,309)
Finance income (charges) - net	(509,588,751)	(88,870,400)	(288,872,567)	(7,008,971)
Other income (charges) - net	15,702,841	(124,202,170)	4,492,555	(96,296,458)
	(4,509,226,045)	(2,837,992,162)	(1,559,742,275)	(996,771,768)
INCOME BEFORE INCOME TAX	380,187,011	969,876,487	128,960,579	310,286,942
PROVISION FOR INCOME TAX				
Current	137,999,644	208,914,149	46,591,754	79,251,859
Deferred	4,089,502	76,262,971	3,029,207	30,371,774
	142,089,146	285,177,120	47,603,030	109,623,633
NET INCOME	₱238,097,865	₱684,699,367	₱81,357,549	₱200,663,309
Net income (loss) attributable to:				
Equity holders of the Parent Company	₱110,042,217	₱274,939,204	₱57,966,862	₱55,954,891
Non-controlling interests	128,055,648	409,760,163	23,390,687	144,708,418
	₱238,097,865	₱684,699,367	₱81,357,549	₱200,663,309
Basic/diluted earnings (loss) per share attributable to equity holders of the parent (Note 10)	₱0.017	₱0.044	₱0.009	₱0.009

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

8

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine-Month Period Ended September 30		Three-Month Period Ended September 30	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
NET INCOME FOR THE PERIOD	₱238,097,865	₱684,699,367	₱81,357,549	₱200,663,309
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (losses) on fair valuation of AFS financial assets	(4,554,000)	(3,025,896)	(11,817,539)	(975,004)
Translation adjustments	14,896,280	108,034,865	60,032,887	131,618,050
	10,342,280	105,008,969	48,215,348	130,643,046
TOTAL COMPREHENSIVE INCOME	₱248,440,145	₱789,708,336	₱129,572,897	₱ 331,306,355
Attributable to:				
Equity holders of the Parent Company	₱120,384,497	₱379,948,173	₱106,182,210	₱186,597,937
Non-controlling interests	128,055,648	409,760,163	23,390,687	144,708,418
	₱248,440,145	₱789,708,336	₱129,572,897	₱331,306,355

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015

	Attributable to Equity Holders of the Parent										
		Other Equity Reserves									
	Capital Stock (Note 10)	Remeasurement Gains Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Equity Reserves	Cumulative Translation Adjustments	Total	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interests (Note 1)	Total
BALANCES AS AT DECEMER 31, 2015	**₱6,318,683,333**	**₱5,753,023**	**(₱50,979,995)**	**₱145,480,697**	**₱1,667,389,765**	**₱1,767,643,490**	**₱797,647,185**	**₱1,300,000,000**	**₱10,183,374,008**	**₱416,741,962**	**₱10,600,115,970**
Net income	–	–	–	–	–	–	110,042,217	–	110,042,217	128,055,648	238,097,865
Other comprehensive income (loss)	–	–	(4,554,000)	–	10,496,280	5,942,280	–	–	5,942,280	–	5,942,280
Total comprehensive income (loss)	–	–	(4,554,000)	–	10,496,280	5,942,280	110,042,217	–	120,384,497	128,055,648	248,440,145
Dividends	–	–	–	–	–	–	(105,064,000)	–	(105,064,000)	–	(105,064,000)
Collection of subscription receivable	4,400,000					4,400,000			4,400,000		4,400,000
BALANCES AS AT SEPTEMBER 30, 2016	**₱6,322,483,333**	**₱5,753,023**	**(₱55,533,995)**	**₱145,480,697**	**₱1,682,286,045**	**₱1,777,985,770**	**₱802,625,402**	**₱1,300,000,000**	**₱10,198,694,505**	**₱544,797,610**	**₱10,743,492,115**
BALANCES AS AT DECEMER 31, 2014	₱6,313,683,333	₱5,487,847	(₱58,243,535)	₱145,480,697	₱1,520,279,471	₱1,613,004,480	₱489,928,413	₱1,700,000,000	₱10,116,616,226	₱291,754,035	₱10,408,370,261
Net income	–	–	–	–	–	–	274,939,204	–	274,939,204	409,760,161	684,699,365
Other comprehensive income (loss)	–	–	(3,025,896)	–	108,034,865	105,008,969	–	–	105,008,969	3,479,950	108,488,919
Total comprehensive income (loss)	–	–	(3,025,896)	–	108,034,865	105,008,969	274,939,204	–	379,948,173	413,240,111	793,188,284
Dividends	–	–	–	–	–	–	(278,520,650)	–	(278,520,650)	(366,120,001)	(644,640,651)
Collection of subscription receivable	4,400,000								4,400,000	–	4,400,000
BALANCES AS AT SEPTEMBER 30, 2015	₱6,318,0833,333	₱5,487,847	(₱61,269,431)	₱145,480,697	₱1,628,314,336	₱1,718,013,449	₱486,346,967	₱1,700,000,000	₱10,222,443,749	₱338,874,145	₱10,561,317,894

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

8

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine-Month Period Ended September 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱380,187,011	₱969,876,487
Adjustments for:		
Finance charges	621,129,117	118,297,542
Unrealized foreign exchange loss (gain) - net	60,714,677	184,355,304
Depreciation and amortization	484,633,895	270,244,727
Retirement costs	101,351	101,351
Interest income	(111,540,366)	(29,427,142)
Gain on sale of property, plant and equipment	–	44,350,482
Operating income before working capital changes	1,435,225,685	1,557,798,751
Decrease (increase) in:		
Trade and other receivables	(282,383,486)	58,765,226
Prepaid expenses and other current assets	280,735,263	(83,457,207)
Spare parts and supplies	(141,681,268)	10,720,780
Increase in accounts payable and other current liabilities	149,920,743	262,031,245
Cash flows generated from operations	1,441,816,937	1,805,858,795
Income taxes paid, including creditable withholding taxes	(137,999,644)	(266,953,748)
Net cash flows from operating activities	1,303,817,293	1,538,905,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Due from related parties	(40,061,885)	(418,371,575)
Short-term cash investments (Note 4)	163,552,935	(290,159,598)
Other noncurrent assets	(18,764,452)	(101,071,465)
Additions to:		
Property, plant and equipment	(1,802,991,999)	(1,855,148,240)
Investment in associates (Note 6)	(900,011,502)	–
Interest received	111,540,366	29,427,142
Proceeds from disposal of:		
Investment in real estate	731,368,486	–
Property, plant and equipment	–	24,120,508
Net cash flows used in investing activities	(1,755,368,051)	(2,611,203,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of preferred shares	4,400,000	4,400,000
Interest and transaction costs	(621,129,117)	(134,100,785)
Dividends		(657,516,981)
Net proceeds from availment of loans	(98,271,794)	1,095,350,456
Net cash flows from (used in) financing activities	(715,000,911)	308,132,690
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,166,551,669)	(764,165,491)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,131,992)	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,939,847,554	2,512,383,375
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	₱2,770,163,893	₱1,748,217,884

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

1. General Information

Corporate Information

Alsons Consolidated Resources, Inc. (ACR or Parent Company) is a stock corporation organized on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company's ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

The registered office address of ACR is 2286 Don Chino Roces Ave. Extension, Makati City.

The consolidated financial statements include the accounts of ACR and the subsidiaries (collectively referred to as "the Group") listed in the table below:

		Percentage of Ownership			
		2016		2015	
Subsidiaries	Nature of business	Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	–	100.00	–
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	–	55.00	–	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	–	55.00	–	55.00
Alto Power Management Corporation (APMC)	Management services	–	60.00	–	60.00
APMC International Limited (AIL)	Management services	–	100.00	–	100.00
Mapalad Power Corporation (MPC)	Power generation	–	100.00	–	100.00
FGen Northern Power Corp. (FGNPC)	Power generation	–	60.00	–	60.00
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	–	80.00	–
Siguil Hydro Power Corporation (Siguil)	Power generation	–	80.00	–	80.00
Kalaong Power Corporation (Kalaong)	Power generation	–	80.00	–	80.00
Alsons Thermal Energy Corporation (ATEC)	Power generation	100.00	–	100.00	–
Sarangani Energy Corporation (Sarangani)	Power generation	–	75.00	75.00	–
San Ramon Power, Inc. (SRPI)	Power generation	100.00	–	100.00	–
Alsons Power International Limited (APIL)	Power generation	100.00	–	100.00	–
Alsons Land Corporation (ALC)	Real estate	99.55	–	99.55	–
MADE (Markets Developers), Inc.	Distribution	80.44	–	80.44	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	–	100.00	–
ACES Technical Services Corporation (ACES)	Management services	100.00	–	100.00	–

SPPC and WMPC are independent power producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC). ECA of SPPC and WMPC ended in May 2016 and December 2015, respectively.

Except for AIL and APIL, which are incorporated in the British Virgin Islands (BVI), all of the subsidiaries are incorporated in the Philippines.

8

Power and Energy

CHC and Subsidiaries. In July 2014, CHC and SPPC redeemed preferred shares of 178,462 and 483,875, respectively, for a total consideration of ₱232 million ($5.2 million). In February and June 2013, CHC redeemed preferred shares of 319,675 for a total consideration of ₱121 million ($2.86 million). In May 2013, SPPC redeemed preferred shares of 483,874 for a total consideration of ₱157 million ($3.63 million). The redeemed preferred shares were retired and are no longer available for re-issue. The share of the non-controlling interests in the redemptions in 2014 is shown below:

	Number of Shares	Total Amount	Share of Non-controlling Interests
CHC	178,462	₱70,858,798	₱–
SPPC	483,875	161,042,877	72,469,702
		₱231,901,675	₱72,469,702

The Board of Directors (BOD) of Northern Mindanao Power Corporation (NMPC), a subsidiary under CHC, approved on April 25, 2008 the amendments to NMPC's Articles of Incorporation to shorten its corporate life up to November 15, 2009. After November 15, 2009, NMPC was dissolved. Consequently, NMPC's remaining assets and liabilities have all been transferred to CHC's books as at December 31, 2009. CHC is responsible for the final liquidation of NMPC's net assets and the payment to the non-controlling shareholders. In 2013, CHC has fully liquidated the net distributable assets of NMPC and paid the non-controlling shareholders.

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in the voting shares of CHC, increasing its ownership to 100%.

CHC organized and incorporated MPC on July 13, 2010 as a wholly owned subsidiary to rehabilitate and operate the 103 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II located in Iligan City. On June 27, 2011, ACR acquired full control of MPC through an agreement with CHC, wherein CHC assigned all shares to ACR. The deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. On August 1, 2013, ACR transferred MPC to CHC for a total consideration of ₱0.3 million ($7,781). MPC entered into Power Supply Agreements (PSAs) with various distribution utilities and electric cooperatives. On September 6, 2013, MPC started operating 98 MW of the 103 MW Bunker-Fired IDPPs. MPC completed the rehabilitation and operates the balance of 5 MW in 2014.

On July 7, 2015, CHC subscribed and paid 60% of FGNPC's outstanding common shares amounting to ₱0.04 million ($832). Investment of non-controlling interest amounted to ₱0.02 million ($459) in 2015.

AREC and Subsidiaries. The Parent Company organized and incorporated Siguil Hydro Power Corporation (Siguil) and Kalaong Power Corporation (Kalaong) on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 17MW Hydro Power Project is in Maasim, Sarangani while Kalaong's 22MW Hydro Power Project is in Bago, Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed. As at September 30, 2016, Siguil and Kalaong have not yet started commercial operations.

On September 18, 2014, the Parent Company organized AREC primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources with total capital infusion amounting to ₱31 million.

On July 10, 2015, the Parent Company and AREC executed an assignment of share agreement wherein the Parent Company assigned and transferred its ownership interests in Siguil and Kalaong to AREC. Accordingly, Siguil and Kalaong became subsidiaries of AREC. Also, the Parent Company sold its 20% interest to ACIL, Inc., an entity under common control. The Group recognized increase in non-controlling interests by ₱13 million in 2015 due to the reduction in the Parent Company's interest in AREC from 100% in 2014 to 80% in 2015.

ATEC. On November 23, 2015, the Parent Company organized and incorporated ATEC as a wholly owned subsidiary. ATEC was incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources.

On June 23, 2016, ATEC increased its authorized capital stock from ₱5 million divided into 50,000 shares of par value of ₱100.00 per share to ₱5,000 million divided into 50 million shares of par value of ₱100.00 per share. ACR subscribed an additional 29,892,851 shares amounting to ₱2,989.29 million which has been paid in by transferring its investment in shares of stock of Sarangani amounting to ₱2,975.24 million and cash payment amounting to ₱14.05 million. Accordingly, Sarangani became a subsidiary of ATEC.

Sarangani. CHC organized Sarangani on October 15, 2010 as a wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. Sarangani's power-generating project "SM 200" is a coal-fired power plant project with a 210 mega-watts (MW) capacity. SM200 is embedded within the franchised area of South Cotabato II Electric Cooperative, Inc. (SOCOTECO II). The total project cost is ₱13 billion of which ₱4 billion is in the form of equity and ₱9 billion through a syndicated term loan from local banks. In 2009, the Department of Energy and the Department of Environment and Natural Resources approved the Environmental Compliance Certificate (ECC) application for SM200. The construction of SM 200 will be in two phases. Construction of Phase 1 (105 MW) commenced in 2012 and was completed in April 2016. Phase 2 (105MW) will follow a year after Phase 1. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all its shares to ACR. On December 10, 2012, ACR entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC agreed to subscribe and paid ₱355 million worth of Sarangani shares, representing 25% of the total equity of Sarangani.

SRPI. The Parent Company organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its ECC on March 20, 2012 for the planned 105MW coal fired power plant to be located in Zamboanga Ecozone. SRPI's expected construction of the power plant that was previously forecasted to commence in the later part of 2013, has been deferred at a later time. The total project cost is estimated at ₱13 billion. As at September 30, 2016, SRPI has not yet started the construction of the power plant.

Property Development

ALC. On November 25, 1994, the Parent Company incorporated ALC to acquire, develop, sell and hold for investment or otherwise, real estate of all kinds, sublease office spaces and manufacture door and house frames.

KAED. On September 3, 2010, the Parent Company incorporated KAED to establish, develop, operate and maintain an agro-industrial economic zone and provides the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, waste management system, pollution control device, communication facilities and other facilities as may be required for an agro-industrial economic zone. As at September 30, 2016, KAED has not yet started commercial operations.

Other Investments

MADE. MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at September 30, 2016, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACES. The Parent Company organized and incorporated ACES on July 7, 2011 primarily to provide operations and maintenance services to the Company's coal power plants. As at September 30, 2016, ACES has not yet started commercial operations.

ACRMC. In 2007, the Parent Company infused capital in ACRMC amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), stockholder of Parent Company, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the province of Compostela Valley. On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau.

In May 2015, the Parent Company declared its 91% investment in ACRMC as property dividend amounting to ₱208 million. The Parent Company's remaining 9% interest in ACRMC amounting to ₱21 million is recognized as AFS financial asset.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as at September 30, 2016 and for the six-month periods ended September 30, 2016 and 2015 have been prepared in accordance with the Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and derivative financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Parent Company.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2015.

Basis of Consolidation
The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the subsidiaries it controls (see Note 1).

New Standards and Interpretations Issued and Effective as at January 1, 2016
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2016.

The nature and impact of each new standard and amendment is described below:

- Amendments to PAS 1, *Presentation of Financial Statements - Disclosure Initiative*, clarifies the materiality requirements as shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions. The amendments also clarify that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated and entities have flexibility as to the order in which they present the notes to financial statements. In addition, the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. For additional subtotals presented in the statement of profit or loss and other comprehensive income, line items should be presented to reconcile any such subtotals with the subtotals or totals currently required in PFRS for such statement.

  The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS, does not affect recognition and measurement, and facilitate enhanced disclosure effectiveness. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no significant impact on the consolidated financial statements.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments). The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the

acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements.

- PFRS 14, *Regulatory Deferral Accounts.* PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments). The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments). The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements as the Group does not have any bearer plants.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal.* The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts.* PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements.* This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate.* This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report".* The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Standards Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective in 2018

- PFRS 9, *Financial Instruments* (2014 or final version). In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

  Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 is not expected to have any significant impact on the consolidated financial statements.

Effective in 2019

- PFRS 16, *Leases.* The new standard introduces major changes in lease accounting. Under PFRS 16, lessees will no longer classify their leases as operating or finance leases in accordance with PAS 17, *Leases.* Rather, lessees will apply the single-asset model. Under

this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the leased assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

PFRS 16 will replace PAS 17 and supersede the related interpretations. Earlier application is not permitted until the FSRC has adopted the new revenue recognition standard.

The Group believes that this new standard has no impact on the consolidated financial statements.

Deferred effectivity

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have significant impact on the consolidated financial statements of the Group.

- Amendments to PFRS 10 and PAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint* Venture. These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. On January 13, 2016, the FRSC postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates. The Group will consider these amendments for future sale or contribution of assets of the Group to its associates.

In addition, the IASB has issued the following new standard that has not yet adopted locally by the SEC and FRSC. The Group is currently assessing the impact of this new standard and plans to adopt such on its required effective date once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to September 30, 2016 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

3. Segment Information

The Group conducts majority of its business activities in two major business segments: (1) Energy and Power, and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments."

Information with regard to the Group's significant business segments are shown below:

	Nine-Month Period Ended September 30, 2016					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information:						
Revenues						
External customer	₱4,879,501,028	₱9,912,028	₱-	₱4,889,413,056	₱-	₱4,889,413,056
Inter-segment	112,240,118	3,668,995	652,687,718	768,596,831	(768,596,831)	-
Total revenues	4,991,741,146	13,581,023	652,687,718	5,658,009,887	(768,596,831)	4,889,413,056
Finance income	54,120,948	124,582	57,294,836	111,540,366	-	111,540,366
Finance charges	(400,189,456)	-	(463,716,916)	(863,906,372)	242,777,255	(621,129,117)
Provision for income tax	141,903,750	185,396	571,049	142,660,195	-	142,660,195
Net income (loss)	451,953,500	1,837,112	97,727,497	551,518,109	(313,420,244)	238,097,865

	Nine-Month Period Ended September 30, 2015					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information:						
Revenues						
External customer	₱3,793,276,472	₱14,592,177	₱-	₱3,807,868,649	₱-	₱3,807,868,649
Inter-segment	74,027,569	2,347,260	534,316,329	610,661,158	(610,661,158)	-
Total revenues	3,867,304,041	16,909,437	534,316,329	4,418,529,807	(610,661,158)	3,807,868,649
Finance income	28,602,410	211,823	612,909	29,427,142	-	29,427,142
Finance charges	(50,338,514)	(1,464,035)	(66,494,993)	(118,297,542)	-	(118,297,542)
Provision for income tax	285,086,794	90,326	-	285,177,120	-	285,177,120
Net income (loss)	1,014,355,103	(51,585,702)	332,591,124	1,295,360,525	(610,661,158)	684,699,367

4. Cash and Cash Equivalents and Short-term Cash Investments

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Cash on hand	₱243,775	₱438,565
Cash in banks	1,438,002,443	3,422,014,549
Cash equivalents	1,331,917,675	517,394,440
	₱2,770,163,893	₱3,939,847,554

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short-term cash investments amounting to ₱10 million and ₱173 million as at September 30, 2016 and December 31, 2015, respectively, consist of money market placements with maturities of more than three months but less than one year with interest ranging from 3.00% to 4.10%.

5. Trade and Other Receivables

	September, 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Trade:		
Power	₱1,003,548,873	₱682,845,454
Real estate	88,415,518	86,276,518
Product distribution and others	31,730,458	31,730,458
Due from related parties	946,189,192	867,129,580
Retention receivable	46,364,378	47,364,378
Others	11,014,943	128,156,128
	2,127,263,362	1,843,502,516
Less allowance for impairment losses	81,779,279	80,401,919
	₱2,045,484,083	₱1,763,100,597

Power
These represent billings to NPC by SPPC and WMPC under existing ECAs. These receivables are noninterest-bearing and are generally on 30 days term. Trade receivables include long-outstanding receivables of SPPC from NPC amounting to ₱115 million as at September 30, 2016 and December 31, 2015, representing billings from 2005 to 2006 for additional 5MW installed capacity nominated by SPPC. The allowance provided amounting to ₱30 million as at September 30, 2016 and December 31, 2015 is management's best estimate of impairment loss on the long-outstanding receivables from NPC.

Real Estate
These pertain to receivables from venturers and customers from the sale of residential and commercial lots and units.

Product Distribution and Others
These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at September 30, 2016 and December 31, 2015.

Retention Receivable and Due from Related Parties
Retention receivable pertains to the outstanding balance from Aboitiz Land, Inc. (Aboitiz) for the sale of Lima Land Inc. (LLI), which will be collected upon accomplishment of certain milestones.

Transactions with related parties pertain mainly to cash advances and reimbursement of expenses. Outstanding related party balances are generally settled in cash.

6. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Eagle Ridge Project (General Trias, Cavite) - at cost	₱619,879,458	₱620,497,880
Campo Verde Project (Lipa and Malvar, Batangas) - at NRV	16,077,704	16,077,704
	₱635,957,162	₱636,575,584

Investments in Real Estate

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Lanang Property (Lanang, Davao City)	₱–	₱1,272,631,722
ALC Property (Pasong Tamo, Makati)	131,549,087	131,577,641
Batangas Project (Lipa and Malvar, Batangas)	60,299,593	54,744,468
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱196,534,616	₱1,463,639,767

Lanang Property

On December 27, 2011, the BOD of ACR approved the acquisition of 72% of the outstanding shares (consisting of 2,000,000 common shares and 344,498 preferred shares) of C. Alcantara & Sons, Inc. (CASI) from Aldevinco, a stockholder of ACR and Alcorp, in behalf of Aldevinco, for a total consideration of ₱1,226 million. The acquisition was paid through the reduction of ACR's receivables from Aldevinco equivalent to ₱1,226 million on that date. The total consideration of ₱1,226 million represents the market value of Lanang landholdings of CASI as determined by an independent third party appraiser. This acquisition provides ACR the right to own and develop 21.27 hectares of land and 3 hectares of foreshore leased area in Lanang, Davao City.

CASI filed with the Bureau of Internal Revenue (BIR) and notified the SEC regarding the shortening of its corporate life until March 31, 2014. As a result, ACR received the Lanang property of CASI as liquidating dividend amounting to ₱1,226 million in 2014. Transaction costs incurred such as taxes and processing fees to transfer the Lanang property to ACR's name totaling ₱49 million were capitalized as part of "Investments in real estate". Also, ACR incurred input VAT amounting to ₱103 million in 2014 arising from this transaction.

7. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation cash-generating units consisting of the operations of SPPC and WMPC.

The carrying amount of goodwill allocated to SPPC and WMPC amounted to ₱1,052 million as at September 30, 2016 and December 31, 2015.

Goodwill is subject to annual impairment testing which is performed by management at every December 31st or whenever indicators of impairment are present. After considering the current power outlook in Mindanao, the recoverable amount of the operations of SPPC and WMPC have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management.

8. Other Noncurrent Assets

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Deferred project costs	₱349,710,828	₱323,168,150
Deposits	60,310,781	58,226,913
Deferred oil exploration costs	63,372,934	63,372,934
Computer software	8,087,186	13,484,761
Deferred financing costs	–	492,589
Others	1,845,065	5,816,995
	483,326,794	464,562,342
Less provision for impairment loss	63,372,934	63,372,934
	₱419,953,860	₱401,189,408

Deferred Project Costs

Deferred project costs are external and incremental direct internal costs related to the Group's energy and power and other development projects. Costs incurred are initially recorded as part of noncurrent assets and will subsequently be reclassified to construction-in-progress under "Property, plant and equipment" account once physical construction has started.

Deferred project costs pertain to the following ongoing projects:

a. *ZAM 100.* ZAM 100 is a coal-fired power plant project with a 100MW capacity in San Ramon, Zamboanga City (see Note 1). As at September 30, 2016 and December 31, 2015, cumulative costs incurred for this project amounted to ₱279 million and ₱257 million, respectively.

b. *Siguil.* Siguil hydro powerplant project is a 16.7MW run-of-river that will be located at Sitio Siguil, Brgy. Tinoto, Maasim, Sarangani. The project is composed of a non-overflow concrete gravity dam. Its hydrology validation study is on-going and the DOE registration requirements have been completed. As at September 30, 2016 and December 31, 2015, cumulative costs incurred for this project amounted to ₱70 million and ₱66 million, respectively.

9. Accounts Payable and Other Current Liabilities

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Trade	₱654,627,938	₱405,251,742
Accrued expenses	554,227,818	425,996,345
Payable to customers	63,668,507	199,495,999
Output tax and withholding tax payable	26,656,555	107,363,534
Advances from customers	26,814,300	27,441,600
Other current liabilities	172,459,173	182,984,328
	₱1,498,454,291	₱1,348,533,548

Trade payables are noninterest-bearing and are normally on a 60 to 75 days term.

10. Equity

Capital Stock

	September 30, 2016		December 31, 2015	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Common stock - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred stock - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000
Common Shares				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
Preferred Shares				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(24,016,667)		(28,416,667)
		₱6,322,483,333		₱6,318,083,333

On May 25, 2011, SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.0 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.

b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares.

c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.

d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

On February 4, 2013, Alcorp subscribed to 5,500,000,000 preferred shares with par value of ₱0.01 per share, from the unissued authorized preferred shares of the Company. On the same date, Alcorp paid ₱13.8 million representing 25% of the subscription price of ₱55.0 million.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Activity	Authorized Common Shares	No. of Shares Issued	Issue/Offer Price
1993	Initial Public Offering	12,000,000,000	6,291,500,000	₱1
2011	Conversion of unissued common shares to redeemable preferred shares	(55,000,000)	–	–
		11,945,000,000	6,291,500,000	

Retained Earnings

On May 4, 2012, the BOD approved the appropriation of ₱850 million of its retained earnings as at December 31, 2011, for its equity contributions to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2	Phase 1 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱400	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
IDPP 1 & 2*	Rehabilitation of 108 MW diesel plant in Iligan City	200	2013
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

** The ₱200 million previously appropriated for IDPP 1 & 2 in 2012 was reallocated to SM200 Phase 2 which is expected to be completed in 2018.*

On March 28, 2014, the BOD approved an additional appropriation of ₱850 million of the Parent Company's retained earnings as at December 31, 2013 for its equity contribution to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2*	Phase 2 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱600	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2017
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

**As discussed above, completion of Phase 2 was extended to 2018.*

On December 11, 2015, the BOD approved the reversal of appropriation relating to Phase 1 of the Sarangani project amounting to ₱400 million.

The retained earnings are restricted from being declared as dividends to the extent of the appropriation for equity contribution to the foregoing projects.

The Parent Company declared the following cash dividends:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2016	May 27, 2016	₱100,664,000	₱0.016	June 30, 2016	July 25, 2016
2016	May 27, 2016	4,400,000	0.0008	June 30, 2016	July 25, 2016
2015	March 27, 2015	3,145,750	0.0005	June 5, 2015	March 22, 2016
2015	May 22, 2015	62,915,000	0.01	June 5, 2015	June 16, 2015

Dividends on preferred shares amounting to ₱4 million in 2016 and 2015 were applied against the Parent Company's subscriptions receivable from Alcorp.

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱551 million and ₱390 million in 2016 and 2015, respectively.

The retained earnings is further restricted for dividend declaration to the extent of undistributed earnings of subsidiaries amounting to ₱537 million and ₱520 million as at September 30, 2016 and December 31, 2015, respectively.

Earnings Per Share (EPS) Attributable to Equity Holders of the Parent

	Nine-Month Period Ended September 30	
	2016 (Unaudited)	2015 (Unaudited)
Net income attributable to equity holders of the parent	₱110,042,217	₱274,939,204
Dividends on preferred shares	(4,400,000)	(4,400,000)
Net income attributable to equity holders of the parent after dividends on preferred shares	105,642,217	270,539,204
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.017	₱0.043

11. Loans Payable

In 2015, MPC availed a short-term loan, unsecured bank loans amounting to ₱827 million ($17.6 million). The loan bears interest rates ranging from 4.0% to 4.3%. Outstanding loan balance amounted to ₱300 million as at December 31, 2015. Loans were fully paid in 2016.

12. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, short-term cash investments, AFS financial assets, loans payable, and long-term debt. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables (including noncurrent portion of installment receivables) and accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (interest rate risk, equity price risk and foreign currency risk).

Management and the BOD review and approve policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

In the Group's real estate business, transfer of the property is executed only upon full payment of the purchase price. There is also a provision in the sales contract which allows forfeiture of the installment/deposits made by the customer in favor of the Group in case of default. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments.

In the Group's power generation business, exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of the receivables from PSAs with various customers.

The credit risk arising from financial assets of the Group, which comprise cash and cash equivalents, short-term cash investments, trade and other receivables and AFS investments, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk arises from the possibility that the Group encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and financial assets (held for liquidity purposes):

	September 30, 2016				
	On Demand	< 1 Year	>1–3 Years	> 3 Years	Total
Financial Liabilities					
Accounts payable and other current liabilities*	₱1,400,543,572	₱94,207,214	₱–	₱–	₱1,494,750,786
Loans payable	–	52,000,000	–	–	52,000,000
Long-term debt	–	313,874,264	9,513,185,367	7,502,677,781	17,329,737,412
	₱1,400,543,572	₱460,081,478	₱9,513,185,367	₱7,502,677,781	₱18,876,488,198
Financial Assets					
Cash and cash equivalents	₱2,770,163,893	₱–	₱–	₱–	₱2,770,163,893
Short-term cash investments	–	9,651,400	–	–	9,651,400
Trade receivables	437,735,227	679,201,148	6,758,473	–	1,123,694,849
AFS financial assets	2,341,019,271	–	–	–	2,341,019,271
	₱5,548,918,391	₱688,852,548	₱6,758,473	₱–	₱6,245,529,412

* *Excluding statutory payables and other payable to government agencies*

	December 31, 2015				
	On Demand	≤ 1 Year	>1–3 Years	> 3 Years	Total
Financial Liabilities					
Accounts payable and other current liabilities*	₱1,051,121,865	₱190,048,149	₱–	₱–	₱1,241,170,014
Loans payable	–	300,000,017	–	–	300,000,017
Long-term debt	–	311,720,556	10,219,392,386	6,648,896,247	17,180,009,189
	₱1,051,121,865	₱801,768,722	₱10,219,392,386	₱6,648,896,247	₱18,721,179,220
Financial Assets					
Cash and cash equivalents	₱3,939,847,554	₱–	₱–	₱–	₱3,939,847,554
Short-term cash investments	–	172,944,935	–	–	172,944,935
Trade receivables	159,688,376	567,438,649	6,758,473	–	733,885,498
AFS financial assets	124,304,503	–	–	2,221,268,768	2,345,573,271
	₱4,223,840,433	₱740,383,584	₱6,758,473	₱2,221,268,768	₱7,192,251,258

** Excluding statutory payables and other payable to government agencies*

Equity Price Risk

Equity price risk is the risk that the fair value of quoted AFS financial assets decreases as the result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's quoted AFS financial assets. The Group's policy requires it to manage such risk by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector. The Group intends to hold these investments indefinitely in response to liquidity requirements or changes in market conditions.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value.

The Group considers its total equity and debt reflected in the unaudited interim condensed consolidated balance sheet as its capital. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional. No changes were made in the objectives, policies or processes as at September 30, 2016 and December 31, 2015, respectively.

The Group monitors its capital based on debt to equity ratio. The Group includes within debt interest bearing loans and borrowings. Capital includes equity attributable to the equity holders of the parent less (add) the net unrealized gain (loss) reserve and cumulative translation adjustments.

The Group's current ratio and debt-to-equity ratio as at September 30, 2016 and December 31, 2015 follow:

Current Ratio

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Current assets	₱6,712,731,181	₱7,902,997,308
Current liabilities	2,351,010,940	2,025,155,511
	2.86:1	3.9:1

Debt-to-Equity Ratio

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Long-term debt	**₱17,329,737,412**	₱17,180,009,189
Loans payable	**52,000,000**	300,000,017
Total debt	**17,381,737,412**	17,480,009,206
Equity attributable to equity holders of the parent	**10,198,694,504**	10,183,374,008
	1.70:1	1.72:1

13. Financial and Non-financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial and non-financial instruments by valuation technique:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

During the six-month periods ended September 30, 2016 and 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are submitted as part of this report:

Interim Financial Statements as of September 30, 2016 and for the Three-Month Periods Ended September 30, 2016 and 2015 (with Comparative Audited Consolidated Balance Sheet as of December 31, 2015).

Key Performance Indicators

The following key performance indicators were identified by the Company and included in the discussion of the results of operations and financial condition for the Nine months ended September 30, 2016 and 2015. (Amounts in million pesos, except ratios)

Financial KPI	Definition	September 30	
		2016	2015
Profitability			
REVENUES		**₱4,889**	**₱3,808**
EBITDA		**718**	**1,329**
EBITDA Margin	EBITDA / Net Sales	**23%**	**32%**
Return on Equity	Net Income / Total Average Stockholders' Equity	7%	7%
NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS		**52**	**275**
Efficiency			
Operating Expense Ratio	Operating Expenses / Gross Operating Income	**39%**	**25%**
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities / Net Financial Debt	9%	12%
CURRENT RATIO	Current Assets / Current Liabilities	3.55:1	3.71:1
DEBT-TO-EQUITY RATIO		1.94:1	1.59:1
Asset-to-equity Ratio	Total Assets / Total Equity	2.96:1	2.67:1
Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	2.75:1	8.96:1

Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased to 23% from 32% in the same period last year due mainly to lower income this year resulting from the change of Western Mindanao Power Corp. and Southern Philippines

Power Corp. ECA with NPC to Merchant effective December 18, 2015 and April 18, 2016. Return on equity (ROE) remain the same at 7% for both periods.

Efficiency

For the nine-month period ended Sepetmber 30, 2016, the Company's three diesel plants sold 946 gigawatt-hours of electricity – 11% less than the 1,066 gigawatt-hours sold in the same period last year. Sarangani Energy Corporation's Section 1 started commercial operations on April 29, 2016 and contributed 277 gigawatt-hours of electricity to Southern Mindanao. All these plants have significantly contributed in alleviating the power shortage in that part of the Country. Operating expense ratio however, increased to 39% from last year's 25% due to higher non-recurring expenses during the period. The efficiency of the 2016 actual results of operation is in accordance with the operating plan and budget of the Company.

ACR's cash flows from operations this year decreased 15% at ₱1,304 million from a last year's ₱1,539 million resulting from the timing of settlement of trade and other current liabilities during the period. Net debt coverage ratio decreased to 9% from 12% in 2015 due to lower cash flows provided by operations during the period, while current ratio slightly decreased to 3.55:1 from last year's 3.71:1 resulting from lower cash and cash equivalents during the period.

DESCRIPTION OF KEY PERFORMANCE INDICATORS:

1. REVENUES. Revenue is the amount of money that the company subsidiaries receive arising from their business activities and is presented in the top line of the statements of income. The present revenue drivers of the Company are i) Energy and power and ii) Real estate. Revenue growth is one of the most important factors management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making a sound investment decision.

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA). The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

3. NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT. Net income attributable to shareholders is one more step down from net income on the income statement. The net income of a company is just all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.

4. DEBT-TO-EQUITY RATIO. This measures the company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

5. CURRENT RATIO. Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

The nine months financial results showed ₱4,889 million revenues, 28% higher than the ₱ 3,808 million revenues in 2015. The increase was due mainly to the start of commercial operations of SEC which commenced on April 29 this year and contributed ₱1,775 million in revenues. All the existing diesel plants were already merchant plants.

Cost of goods sold and services was also higher in 2016 due mainly to the pass-on fuel cost of the diesel plants. SEC on the other hand, contributed ₱1,326 million in direct cost during the period. As a result, gross profit significantly lower this year at ₱1,214 million from ₱1,483 million in 2015 and gross profit rate from 39% to 25%.

Due to the one-time expenses incurred this year, general and administrative expenses increased by 13% from ₱300 million to ₱340 million this year. These one-time costs were related to the corporate re-organization of the CFB plants.

Net finance charges this year was at ₱510 million compared to last year's ₱81 million due mainly to the interest incurred on the project loan related to the construction of SEC phase 1.

Net other income of ₱16 million in 2016 versus a loss of ₱124 million incurred in 2015 due to foreign exchange loss on the settlement of a US$ denominated debt in the previous year and the one-time loss resulting from a disposal of a portion of undeveloped property of Alsons Land.

Due to the effect of higher finance charges this year, the consolidated net income before tax for the period was 61% lower at ₱380 million from ₱970 million in 2015. Provision for income tax was also lower this year at ₱142 million from ₱285 million in 2015 due to lower taxable income. Parent net income was lower at ₱110 Million against the ₱275 Million registered in the same period last year. The resulted 60% lower earnings per share of ₱0.0017 from ₱0.0044 in previous year.

The nine months financial results in 2016 is in accordance with the operating plan and budget.

REVIEW OF FINANCIAL POSITION

ACR and Subsidiaries posted total assets of ₱30,393 million, 1% higher than the ₱30,166 million at the end of 2015.

Current assets decreased by 15% from ₱7,903 million to ₱6,713 million brought about by the lower cash and cash equivalents during the period.

On the other hand, non-current assets increased 6% from ₱22,263 million to ₱23,680 million. This is due largely to the increase in property, plant and equipment resulting from the construction of SEC power plant during the period.

Total liabilities amounted to ₱19,649 million, slightly higher than the ₱19,566 million reported at the end of 2015. The increase in loans payable drawn for the project loan for SEC resulted to the increase in total liabilities.

As of September 30, 2016, ACR's current ratio decreased from 3.71:1 to 3.55:1 and its debt to equity ratio also increased to 1.94:1 from 1.40:1 last year.

ACR's consolidated statement of cash flows showed that cash from operating activities is the major source of funding for payment of maturing loans, while cash flows from financing activities was used for additional capital expenditures.

i. Causes of the material changes (5% or more) in balances of relevant accounts as of September 30, 2016 compared to December 31, 2015 are as follows:

a) **Cash and Cash Equivalents** – Decreased 30%
The decrease is due mainly to the timing of usage of cash by the operating Companies as well as the cash drawn from the project loan of Sarangani Energy and the Parent Company during the period.

b) **Short-term Cash Investments** – Decreased 94%
The decrease is due mainly to usage of and the termination of placements by SPPC and WMPC during the year.

c) **Trade and other receivables** – Increased 16%
The increase is due mainly to the timing of collection of trade receivables during the period.

d) **Spare Parts and Supplies** – Increased 28%
The increase is due mainly to the spare parts billed-up of Sarangani Energy during the period as well as usage of the SPPC, MPC and WMPC for their regular maintenance.

e) **Prepaid Expenses and Other Current Assets** – Decreased 31%
The decrease was due to the timing of payments of creditable withholding and valued added taxes.

f) **Investment in Real Estate** – Decreased 87%
The decrease is due mainly to the transfer of the Parent Company's Lanang Land to Aviana Development Corporation, a Joint Venture Company with Ayala Group.

g) **Investment in Associates** – Increased 71%
The increase was due mainly to the transfer of the Parent Company's land to Aviana as its equity in the Joint Venture Company.

h) **Retirement Assets** – Decreased 20%
The decrease was due to the additional accrual of current service costs of SPPC and WMPC which were deducted from the balance of the retirement Assets during the year.

i) **Other Noncurrent Assets** – Increased 5%
The increase was due mainly to the additional deferred project cost incurred during the period.

j) **Accounts Payable and Accrued Expenses** – Increased 12%
The timing of payments of trade payables led to the increase in this account during the period.

k) **Income Tax Payable** – Decreased 58%
Timing of payments of income tax payable led to the increase in this account during the period.

l) **Loans Payable** – Decreased 83%
The decrease was due to the repayment of the loans payable during the period.

m) **Retirement Payable** – Decreased 24%
The settlement of retirement benefits of some SPPC employees caused the decrease in in this account.

n) **Noncontrolling Interest** – Increased 31%
The share on noncontrolling interest in consolidated net income during the period caused the increase in this account during the period.

ii. Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of obligation.

Some of the subsidiaries or affiliates of the Company are from time to time involved in routine litigation and various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of the legal matters in which its subsidiaries or affiliates are involved have material effect on the Company's financial condition and results of operations.

iii. There are no Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

PART II -- OTHER INFORMATION

Other Required Disclosures

1. The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2015.

2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

4. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.

5. There were no material events subsequent to June 30, 2016 up to the date of this report that needs disclosure herein.

6. There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

7. There were no changes in contingent liabilities or contingent assets since December 31, 2015.

8. There are no material contingencies and other material events or transactions affecting the current interim period.

9. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

10. There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact to the Company.

11. There is no significant element of income or loss that did not arise from the Company's continuing operations.

12. There are no known seasonal or cyclical aspects that had a material effect on the financial condition or results of operations for the interim period.

13. There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources for such expenditures.

14. Any seasonal aspects that had a material effect on the financial condition or results of operations.

    ACR being a holding company has no seasonal aspects that will have any material effect on its financial condition or operational results.

    ACR's power business units generates fairly stable stream of revenues throughout the year.

    ACR's real property development does not show any seasonality. The remaining real estate inventory of Alsons Land does not shown signs of impairments during the period.

There are NO matters and events that need to be disclosed under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

Registrant : _____ **Date:** 11/18/2016
TIRSO G. SANTILLAN, JR.
Executive Vice-President & COO

_____ **Date:** 11/17/2016
ANGEL M. ESGUERRA III
Assistant Corporate Secretary
and Compliance Officer

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
ACCOUNTS RECEIVABLES
AS OF SEPTEMBER 30,2016

Attachment A

Type of Accounts Receivable:	TOTAL	1month	2-3months	4-6months	7months to 1year	1-2years	3-5years	5years and above	Past due Accounts
a) Accounts Receivable – Trade									
1 Power	1,003,548,873	802,746,230	13,542,341	73,283,550	112,642,000	1,334,652			-0
2 Real Estate	84,788,518	119,682	970,642	792,657	1,946,650	6,053,855	2,012,053	72,892,979	-0
3 Rental	3,627,000	134,257	221,034	237,089	497,422	998,592	206,436	1,332,170	-0
4 Plywood Hardiflex, agri & ind'l	31,730,458							31,730,458	-0
Subtotal	1,123,694,849	803,000,169	14,734,017	74,313,396	115,086,072	8,387,099	2,218,489	105,955,607	-0
Less: Allow. For Doubtful Accounts	76,518,681	-0	-0	-0	-0	-0	-0	76,518,681	
Net Trade Receivables	1,047,176,168	803,000,169	14,734,017	74,313,396	115,086,072	8,387,099	2,218,489	29,436,927	-0
b) Accounts Receivable – Others									
1 Advances affiliates/project developer/joint venture	946,189,192	36,197,762	8,157,269	20,262,787	2,215,950	1,870,617	11,619,985	865,864,822	-0
2 Advances contractors and suppliers	574,241	574,241							-0
3 Accrued Interest	-0								-0
4 Advances officers & employees	4,585,832	1,207,525	1,643,350	666,551	33,066	419,517	89,734	535,087	-0
5 Miscellaneous and other receivables	52,219,248	-0	-0	1,350	3,041,155	904,350	47,412,128	860,265	-0
Total Accounts Receivable – Others	1,003,568,513	37,979,529	9,800,620	20,930,687	5,290,172	3,195,485	59,121,847	867,260,174	-0
Less: Allow. For Doubtful Accounts	5,260,598							5,260,598	-0
	998,307,915	37,979,529	9,800,620	20,930,687	5,290,172	3,195,485	59,121,847	861,999,576	-0
ACCOUNTS RECEIVABLE-NET (a + b)	2,045,484,083	840,979,698	24,534,636	95,244,083	120,376,245	11,572,582	61,340,336	891,436,503	-0

Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
1. Trade receivable		
a) Power	Receivable arising from sale of power to NPC	30 days
b) Lots	Sale of residential lots	3 to 10 years
c) Rental	Office, parking & warehouse rental	30 days
d) Plywood Hardiflex, agri & ind'l	Sale of ecowood, fiber cement board, Agri & industrial products	38,58 & 130 days
2. Non-Trade receivable		
a) Advances Officers & Employees	Cash advances for business expenses	30 days
b) Advances Operators/Contractors	Advances made to operators/contractors	30 days
c) Accrued Interest	Interest on temporary investments	30 – 90 days
d) Others	Advances to various and other entities for business/investment	
	development and routinary inter-company transactions.	30 days – 2 years

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Supplementary Schedules
As of September 30,2016

Attachment B

Title of Issue and Type of Obligation	Loans Payable	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
Parent Company						
Development Bank of the Phils.			Fixed 7.243%	Maturity Date	3. Dec. 2020	3,413,019,660
Land Bank of the Philippines			Fixed 7.243% and 7.92%	Maturity Date / Annually	3. Dec. 2020 and 3. Dec. 2022	2,389,809,411
Robinsons Bank Corporation			Fixed 7.243% and 7.92%	Maturity Date / Annually	3. Dec. 2020 and 3. Dec. 2022	985,884,535
Social Security System			Fixed 7.243%	Maturity Date	3. Dec. 2020	489,331,929
SSS Provident Fund			Fixed 7.92%	Annually	3. Dec. 2022	69,226,538
Jardiolin,Victoria &/or Bitong,Dinah Dawn &/or Jardiolin,Majar &.	5,000,000		Fixed 3.25%	91days	16. Dec. 2016	
Bank of Commerce	10,000,000		Fixed 3.25%	91days	16. Dec. 2016	
Marketreach Corporation	20,000,000		Fixed 3.25%	91days	16. Dec. 2016	
Shoecat Inc.	17,000,000		Fixed 3.25%	91days	16. Dec. 2016	
Saranggani Energy Corp.						
Banco de Oro		83,537,113	Fixed 8.06%	Semi-Annual	19. Oct. 2026	4,902,080,582
RCBC		16,379,826	Fixed 8.06%	Semi-Annual	19. Oct. 2026	961,192,271
UCPB		16,379,826	Fixed 8.06%	Semi-Annual	19. Oct. 2026	961,192,271
Asia United Bank		24,569,739	Fixed 8.06%	Semi-Annual	19. Oct. 2026	1,441,788,408
Philippine Business Bank		8,189,913	Fixed 8.06%	Semi-Annual	19. Oct. 2026	480,596,137
Planters Development Bank		1,637,983	Fixed 8.06%	Semi-Annual	19. Oct. 2026	96,119,227
Robinson Savings Bank		1,637,983	Fixed 8.06%	Semi-Annual	19. Oct. 2026	96,119,227
Decomissioning Liability						262,705,290
Mapalad Power Corporation						
Banco de Oro		161,541,881	Fixed 6.25%	Semi-Annual	15. Aug. 2019	466,795,663
TOTAL	Php52,000,000	Php313,874,264				Php17,015,863,148

Alsons Consolidated Resources, Inc. and Subsidiaries **Attachment C**
Schedule of Financial Soundness

Financial KPI	Definition	Nine Months Period Ended September 30	
		2016	2015
Liquidity Current Ratio / Liquidity Ratio	Current Assets / Current Liabilities	3.55:1	3.71:1
Solvency Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable / (Capital Stock-Non-controlling Interest+RE)	1.94:1	1.40:1
Interest Rate Coverage Ratio Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	1.75:1	8.95:1
Profitability Ratio Return on Equity	Net Income / Total Average Stockholders' Equity	7%	7%
Asset-to-Equity Ratio Asset-to-Equity Ratio	Total Assets / Total Equity	2.96:1	2.67:1

Alsons Consolidated Resources, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at June 30, 2016 and for the Six-Month Periods Ended
June 30, 2016 and 2015
(*With Comparative Audited Consolidated Balance Sheet as at December 31, 2015*)

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT JUNE 30, 2016
(With Comparative Audited Figures as at December 31, 2015)

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱3,315,668,683	₱3,939,847,554
Short-term cash investments (Note 4)	9,392,000	172,944,935
Trade and other receivables (Note 5)	2,507,308,809	1,763,100,597
Real estate inventories (Note 6)	635,957,163	636,575,584
Spare parts and supplies - at cost	620,173,690	496,350,993
Prepaid expenses and other current assets	616,218,714	894,177,645
Total Current Assets	7,704,719,059	7,902,997,308
Noncurrent Assets		
Noncurrent portion of installment receivables	6,758,473	6,758,473
Investments in real estate (Note 6)	191,279,491	1,463,639,767
Investments in associates (Note 6)	2,174,594,762	1,275,633,260
Property, plant and equipment	16,807,239,136	15,676,131,842
Available-for-sale (AFS) financial assets	2,342,763,271	2,345,573,271
Goodwill (Note 7)	1,052,063,536	1,052,063,536
Net retirement assets	23,694,989	28,746,272
Deferred income tax assets - net	13,646,225	13,690,764
Other noncurrent assets (Note 8)	406,904,807	401,189,408
Total Noncurrent Assets	23,018,944,690	22,263,426,593
TOTAL ASSETS	₱30,723,663,749	₱30,166,423,901
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 9)	₱1,512,754,496	₱1,348,533,548
Dividends payable	550,776,640	–
Loans payable	–	300,000,017
Income tax payable	34,892,741	64,901,390
Current portion of long-term debt	252,587,063	311,720,556
Total Current Liabilities	2,351,010,940	2,025,155,511
Noncurrent Liabilities		
Long-term debt - net of current portion	17,016,579,385	16,868,288,633
Deferred income tax liabilities - net	586,861,751	596,994,524
Retirement benefits liabilities	4,925,822	6,488,611
Asset retirement obligation	150,366,633	69,380,652
Total Noncurrent Liabilities	17,758,733,591	17,541,152,420
Total Liabilities	20,109,744,531	19,566,307,931

(Forward)

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Equity (Note 10)		
Capital stock	₱6,318,083,333	₱6,318,083,333
Other equity reserves	1,729,770,422	1,767,643,490
Retained earnings:		
Unappropriated	744,658,540	797,647,185
Appropriated	1,300,000,000	1,300,000,000
Attributable to equity holders of the parent	10,092,512,295	10,183,374,008
Non-controlling interests	521,406,923	416,741,962
Total Equity	10,613,919,218	10,600,115,970
TOTAL LIABILITIES AND EQUITY	₱30,723,663,749	₱30,166,423,901

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Six-Month Period Ended June 30		Three-Month Period Ended June 30	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
SALES OF SERVICES:				
Energy fees	₱3,186,259,731	₱2,479,023,833	₱1,944,806,956	₱1,290,923,649
Management fees	7,562,913	12,445,322	959,134	6,246,823
Rental income and others	6,887,558	9,340,784	2,928,467	2,295,342
TOTAL REVENUE	3,200,710,202	2,500,809,939	1,948,694,557	1,299,465,814
COSTS AND EXPENSES				
Cost of services	(2,477,119,894)	(1,528,220,907)	(1,535,520,389)	(826,703,047)
General and administrative expenses	(262,857,978)	(203,232,346)	(179,531,152)	(100,674,701)
Finance income (charges) - net	(220,716,184)	(81,861,429)	(187,707,608)	(10,936,899)
Other income (charges) - net	11,210,286	(27,905,712)	5,523,623	(14,748,430)
	(2,949,483,770)	(1,841,220,394)	(1,897,235,526)	(953,063,077)
INCOME BEFORE INCOME TAX	251,226,432	659,589,545	51,459,031	346,402,737
PROVISION FOR INCOME TAX				
Current	91,407,890	129,662,290	39,824,850	44,601,237
Deferred	3,078,226	45,891,197	3,029,207	31,465,676
	94,486,116	175,553,487	42,854,057	76,066,913
NET INCOME	₱156,740,316	₱484,036,058	₱8,604,974	₱270,335,824
Net income (loss) attributable to:				
Equity holders of the Parent Company	₱52,075,355	₱218,984,313	(₱36,330,855)	₱107,915,261
Non-controlling interests	104,664,961	265,051,745	44,935,829	162,420,563
	₱156,740,316	₱484,036,058	₱8,604,974	₱270,335,824
Basic/diluted earnings (loss) per share attributable to equity holders of the parent (Note 10)	₱0.008	₱0.035	(₱0.005)	₱0.017

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six-Month Period Ended June 30		Three-Month Period Ended June 30	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
NET INCOME FOR THE PERIOD	**₱156,740,316**	**₱484,036,058**	**₱8,604,974**	**₱270,335,824**
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (losses) on fair valuation of AFS financial assets	7,263,539	(2,050,892)	12,760,949	(5,631,100)
Translation adjustments	(45,136,607)	(23,583,185)	42,226,989	(156,190,621)
	(37,873,068)	(25,634,077)	54,987,938	(161,821,721)
TOTAL COMPREHENSIVE INCOME	**₱118,867,248**	**₱458,401,981**	**₱63,592,912**	**₱108,514,103**
Attributable to:				
Equity holders of the Parent Company	**₱14,202,287**	₱193,350,236	(₱21,307,039)	(₱12,316,123)
Non-controlling interests	104,664,961	265,051,745	84,899,951	120,830,226
	₱118,867,248	**₱458,401,981**	**₱63,592,912**	**₱108,514,103**

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015

	Attributable to Equity Holders of the Parent										
		Other Equity Reserves									
	Capital Stock (Note 10)	Remeasurement Gains Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Equity Reserves	Cumulative Translation Adjustments	Total	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interests (Note 1)	Total
BALANCES AS AT DECEMER 31, 2015	**₱6,318,083,333**	**₱5,753,023**	**(₱50,979,995)**	**₱145,480,697**	**₱1,667,389,765**	**₱1,767,643,490**	**₱797,647,185**	**₱1,300,000,800**	**₱10,183,374,008**	**₱416,741,962**	**₱10,600,115,970**
Net income	–	–	–	–	–	–	52,075,355	–	52,075,355	104,664,961	156,740,316
Other comprehensive income (loss)	–	–	7,263,539	–	(45,136,607)	(37,873,068)	–	–	(37,873,068)	–	(37,873,068)
Total comprehensive income (loss)	–	–	7,263,539	–	(45,136,607)	(37,873,068)	52,075,355	–	14,202,287	104,664,961	118,867,248
Dividends	–	–	–	–	–	–	(105,064,000)	–	(105,064,000)	–	(105,064,000)
BALANCES AS AT JUNE 30, 2016	**₱6,318,083,333**	**₱5,753,023**	**(₱43,716,456)**	**₱145,480,697**	**₱1,622,253,158**	**₱1,729,770,422**	**₱744,658,540**	**₱1,300,000,000**	**₱10,092,512,295**	**₱521,406,923**	**₱10,613,919,218**
				₱145,480,697							
BALANCES AS AT DECEMER 31, 2014	₱6,346,500,000	₱5,487,847	(₱58,243,535)	₱145,480,697	₱1,520,279,471	₱1,613,004,480	₱489,928,413	₱1,700,000,000	₱10,149,432,893	₱291,754,035	₱10,441,186,928
Subscriptions receivable	(32,816,667)	–	–	–	–	–	–	–	(32,816,667)	–	(32,816,667)
Balance at December 31, 2014	6,313,683,333	5,487,847	(58,243,535)	145,480,697	1,520,279,471	1,613,004,480	489,928,413	1,700,000,000	10,116,616,226	291,754,035	10,408,370,261
Net income	–	–	–	–	–	–	218,984,313	–	218,984,313	265,051,745	484,036,058
Other comprehensive income (loss)	–	–	(2,050,892)	–	(23,583,185)	(25,634,077)	–	–	(25,634,077)	–	(25,634,077)
Total comprehensive income (loss)	–	–	(2,050,892)	–	(23,583,185)	(25,634,077)	218,984,313	–	193,350,236	265,051,745	458,401,981
Dividends	–	–	–	–	–	–	(67,315,000)	–	(67,315,000)	(366,120,001)	(433,435,001)
BALANCES AS AT JUNE 30, 2015	₱22,183,333	₱5,487,847	(₱60,294,427)	₱145,480,697	₱1,496,696,286	₱1,587,370,403	₱641,597,726	₱1,700,000,000	₱10,242,651,462	₱190,685,779	₱10,433,337,241

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six-Month Period Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱251,226,432	₱659,589,545
Adjustments for:		
Finance charges	247,322,276	87,490,209
Unrealized foreign exchange loss (gain) - net	60,714,677	38,138,328
Depreciation and amortization	169,590,877	182,968,117
Interest income	(26,606,092)	(5,561,212)
Gain on sale of property, plant and equipment	–	44,347,184
Operating income before working capital changes	702,248,170	1,006,972,171
Decrease (increase) in:		
Trade and other receivables	(427,473,458)	(111,346,663)
Prepaid expenses and other current assets	338,531,101	(229,257,726)
Spare parts and supplies	(123,822,697)	9,653,595
Increase in accounts payable and other current liabilities	609,933,588	80,151,113
Cash flows generated from operations	1,099,416,704	756,172,490
Income taxes paid, including creditable withholding taxes	(250,976,499)	(191,568,044)
Net cash flows from operating activities	848,440,205	564,604,446
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Due from related parties	(35,402,485)	–
Short-term cash investments (Note 4)	163,552,935	(948,681,296)
Other noncurrent assets	(5,715,399)	(459,913,235)
Additions to:		
Property, plant and equipment	(919,918,881)	(951,833,756)
Investment in associates (Note 6)	(581,018,200)	–
Interest received	24,762,062	5,561,212
Proceeds from disposal of:		
Investment in real estate	731,368,486	–
Property, plant and equipment	–	24,123,806
Net cash flows used in investing activities	(622,371,482)	(2,330,743,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of debts	(300,000,017)	–
Interest and transaction costs	(547,115,585)	(14,872,688)
Proceeds from availment of loans	–	1,078,337,809
Net cash flows from (used in) financing activities	(847,115,602)	1,063,465,121
NET DECREASE IN CASH AND CASH EQUIVALENTS	(621,046,879)	(702,673,702)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,131,992)	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,939,847,554	2,512,383,375
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	₱3,315,668,683	₱1,809,709,673

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Corporate Information

Alsons Consolidated Resources, Inc. (ACR or Parent Company) is a stock corporation organized on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company's ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

The registered office address of ACR is 2286 Don Chino Roces Ave. Extension, Makati City.

The consolidated financial statements include the accounts of ACR and the subsidiaries (collectively referred to as "the Group") listed in the table below:

		Percentage of Ownership			
		2016		2015	
Subsidiaries	Nature of business	Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	–	100.00	–
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	–	55.00	–	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	–	55.00	–	55.00
Alto Power Management Corporation (APMC)	Management services	–	60.00	–	60.00
APMC International Limited (AIL)	Management services	–	100.00	–	100.00
Mapalad Power Corporation (MPC)	Power generation	–	100.00	–	100.00
FGen Northern Power Corp. (FGNPC)	Power generation	–	60.00	–	60.00
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	–	80.00	–
Siguil Hydro Power Corporation (Siguil)	Power generation	–	80.00	–	80.00
Kalaong Power Corporation (Kalaong)	Power generation	–	80.00	–	80.00
Alsons Thermal Energy Corporation (ATEC)	Power generation	100.00	–	100.00	–
Sarangani Energy Corporation (Sarangani)	Power generation	–	75.00	75.00	–
San Ramon Power, Inc. (SRPI)	Power generation	100.00	–	100.00	–
Alsons Power International Limited (APIL)	Power generation	100.00	–	100.00	–
Alsons Land Corporation (ALC)	Real estate	99.55	–	99.55	–
MADE (Markets Developers), Inc.	Distribution	80.44	–	80.44	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	–	100.00	–
ACES Technical Services Corporation (ACES)	Management services	100.00	–	100.00	–

SPPC and WMPC are independent power producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC). ECA of SPPC and WMPC ended in May 2016 and December 2015, respectively.

Except for AIL and APIL, which are incorporated in the British Virgin Islands (BVI), all of the subsidiaries are incorporated in the Philippines.

Power and Energy

CHC and Subsidiaries. In July 2014, CHC and SPPC redeemed preferred shares of 178,462 and 483,875, respectively, for a total consideration of ₱232 million ($5.2 million). In February and June 2013, CHC redeemed preferred shares of 319,675 for a total consideration of ₱121 million ($2.86 million). In May 2013, SPPC redeemed preferred shares of 483,874 for a total consideration of ₱157 million ($3.63 million). The redeemed preferred shares were retired and are no longer available for re-issue. The share of the non-controlling interests in the redemptions in 2014 is shown below:

	Number of Shares	Total Amount	Share of Non-controlling Interests
CHC	178,462	₱70,858,798	₱–
SPPC	483,875	161,042,877	72,469,702
		₱231,901,675	₱72,469,702

The Board of Directors (BOD) of Northern Mindanao Power Corporation (NMPC), a subsidiary under CHC, approved on April 25, 2008 the amendments to NMPC's Articles of Incorporation to shorten its corporate life up to November 15, 2009. After November 15, 2009, NMPC was dissolved. Consequently, NMPC's remaining assets and liabilities have all been transferred to CHC's books as at December 31, 2009. CHC is responsible for the final liquidation of NMPC's net assets and the payment to the non-controlling shareholders. In 2013, CHC has fully liquidated the net distributable assets of NMPC and paid the non-controlling shareholders.

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in the voting shares of CHC, increasing its ownership to 100%.

CHC organized and incorporated MPC on July 13, 2010 as a wholly owned subsidiary to rehabilitate and operate the 103 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II located in Iligan City. On June 27, 2011, ACR acquired full control of MPC through an agreement with CHC, wherein CHC assigned all shares to ACR. The deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. On August 1, 2013, ACR transferred MPC to CHC for a total consideration of ₱0.3 million ($7,781). MPC entered into Power Supply Agreements (PSAs) with various distribution utilities and electric cooperatives. On September 6, 2013, MPC started operating 98 MW of the 103 MW Bunker-Fired IDPPs. MPC completed the rehabilitation and operates the balance of 5 MW in 2014.

On July 7, 2015, CHC subscribed and paid 60% of FGNPC's outstanding common shares amounting to ₱0.04 million ($832). Investment of non-controlling interest amounted to ₱0.02 million ($459) in 2015.

AREC and Subsidiaries. The Parent Company organized and incorporated Siguil Hydro Power Corporation (Siguil) and Kalaong Power Corporation (Kalaong) on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 17MW Hydro Power Project is in Maasim, Sarangani while Kalaong's 22MW Hydro Power Project is in Bago, Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed. As at June 30, 2016, Siguil and Kalaong have not yet started commercial operations.

On September 18, 2014, the Parent Company organized AREC primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources with total capital infusion amounting to ₱31 million.

On July 10, 2015, the Parent Company and AREC executed an assignment of share agreement wherein the Parent Company assigned and transferred its ownership interests in Siguil and Kalaong to AREC. Accordingly, Siguil and Kalaong became subsidiaries of AREC. Also, the Parent Company sold its 20% interest to ACIL, Inc., an entity under common control. The Group recognized increase in non-controlling interests by ₱13 million in 2015 due to the reduction in the Parent Company's interest in AREC from 100% in 2014 to 80% in 2015.

ATEC. On November 23, 2015, the Parent Company organized and incorporated ATEC as a wholly owned subsidiary. ATEC was incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources.

On June 23, 2016, ATEC increased its authorized capital stock from ₱5 million divided into 50,000 shares of par value of ₱100.00 per share to ₱5,000 million divided into 50 million shares of par value of ₱100.00 per share. ACR subscribed an additional 29,892,851 shares amounting to ₱2,989.29 million which has been paid in by transferring its investment in shares of stock of Sarangani amounting to ₱2,975.24 million and cash payment amounting to ₱14.05 million. Accordingly, Sarangani became a subsidiary of ATEC.

Sarangani. CHC organized Sarangani on October 15, 2010 as a wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. Sarangani's power-generating project "SM 200" is a coal-fired power plant project with a 210 mega-watts (MW) capacity. SM200 is embedded within the franchised area of South Cotabato II Electric Cooperative, Inc. (SOCOTECO II). The total project cost is ₱13 billion of which ₱4 billion is in the form of equity and ₱9 billion through a syndicated term loan from local banks. In 2009, the Department of Energy and the Department of Environment and Natural Resources approved the Environmental Compliance Certificate (ECC) application for SM200. The construction of SM 200 will be in two phases. Construction of Phase 1 (105 MW) commenced in 2012 and was completed in April 2016. Phase 2 (105MW) will follow a year after Phase 1. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all its shares to ACR. On December 10, 2012, ACR entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC agreed to subscribe and paid ₱355 million worth of Sarangani shares, representing 25% of the total equity of Sarangani.

SRPI. The Parent Company organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its ECC on March 20, 2012 for the planned 105MW coal fired power plant to be located in Zamboanga Ecozone. SRPI's expected construction of the power plant that was previously forecasted to commence in the later part of 2013, has been deferred at a later time. The total project cost is estimated at ₱13 billion. As at June 30, 2016, SRPI has not yet started the construction of the power plant.

Property Development

ALC. On November 25, 1994, the Parent Company incorporated ALC to acquire, develop, sell and hold for investment or otherwise, real estate of all kinds, sublease office spaces and manufacture door and house frames.

KAED. On September 3, 2010, the Parent Company incorporated KAED to establish, develop, operate and maintain an agro-industrial economic zone and provides the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, waste management system, pollution control device, communication facilities and other facilities as may be required for an agro-industrial economic zone. As at June 30, 2016, KAED has not yet started commercial operations.

Other Investments

MADE. MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at June 30, 2016, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACES. The Parent Company organized and incorporated ACES on July 7, 2011 primarily to provide operations and maintenance services to the Company's coal power plants. As at June 30, 2016, ACES has not yet started commercial operations.

ACRMC. In 2007, the Parent Company infused capital in ACRMC amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), stockholder of Parent Company, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the province of Compostela Valley. On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau.

In May 2015, the Parent Company declared its 91% investment in ACRMC as property dividend amounting to ₱208 million. The Parent Company's remaining 9% interest in ACRMC amounting to ₱21 million is recognized as AFS financial asset.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as at June 30, 2016 and for the six-month periods ended June 30, 2016 and 2015 have been prepared in accordance with the Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and derivative financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Parent Company.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2015.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the subsidiaries it controls (see Note 1).

New Standards and Interpretations Issued and Effective as at January 1, 2016
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2016.

The nature and impact of each new standard and amendment is described below:

- Amendments to PAS 1, *Presentation of Financial Statements - Disclosure Initiative*, clarifies the materiality requirements as shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions. The amendments also clarify that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated and entities have flexibility as to the order in which they present the notes to financial statements. In addition, the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. For additional subtotals presented in the statement of profit or loss and other comprehensive income, line items should be presented to reconcile any such subtotals with the subtotals or totals currently required in PFRS for such statement.

  The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS, does not affect recognition and measurement, and facilitate enhanced disclosure effectiveness. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no significant impact on the consolidated financial statements.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments). The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements.

- PFRS 14, *Regulatory Deferral Accounts.* PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments). The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments). The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments have no impact on the consolidated financial statements as the Group does not have any bearer plants.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal.* The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts.* PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature

of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*. This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*. This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report"*. The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Standards Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective in 2018

- PFRS 9, *Financial Instruments* (2014 or final version). In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

  Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 is not expected to have any significant impact on the consolidated financial statements.

Effective in 2019

- PFRS 16, *Leases*. The new standard introduces major changes in lease accounting. Under PFRS 16, lessees will no longer classify their leases as operating or finance leases in accordance with PAS 17, *Leases*. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the leased assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

PFRS 16 will replace PAS 17 and supersede the related interpretations. Earlier application is not permitted until the FSRC has adopted the new revenue recognition standard.

The Group believes that this new standard has no impact on the consolidated financial statements.

Deferred effectivity

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have significant impact on the consolidated financial statements of the Group.

- Amendments to PFRS 10 and PAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint* Venture. These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. On January 13, 2016, the FRSC postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates. The Group will consider these amendments for future sale or contribution of assets of the Group to its associates.

In addition, the IASB has issued the following new standard that has not yet adopted locally by the SEC and FRSC. The Group is currently assessing the impact of this new standard and plans to adopt such on its required effective date once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to June 30, 2016 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

3. Segment Information

The Group conducts majority of its business activities in two major business segments: (1) Energy and Power, and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments."

Information with regard to the Group's significant business segments are shown below:

	Six-Month Period Ended June 30, 2016					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information:						
Revenues						
External customer	₱3,193,822,644	₱6,887,558	₱–	₱3,200,710,202	₱–	₱3,200,710,202
Inter-segment	–	2,394,502	631,577,711	633,972,213	(633,972,213)	–
Total revenues	3,186,259,731	3,191,122	645,231,562	3,834,682,415	(633,972,213)	3,200,710,202
Finance income	13,756,196	81,547	12,768,349	26,606,092	–	26,606,092
Finance charges	(155,033,155)	–	(312,710,628)	(467,743,783)	220,421,507	(247,322,276)
Provision for income tax	93,885,710	29,357	571,049	94,486,116	–	94,486,116
Net income (loss)	294,124,535	(57,300)	194,762,606	488,829,841	(332,079,525)	156,740,316

	Six-Month Period Ended June 30, 2015					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information:						
Revenues						
External customer	₱2,492,247,069	₱8,562,870	₱–	₱2,500,809,939	₱–	₱2,500,809,939
Inter-segment	48,658,765	2,317,260	281,039,200	332,015,225	(332,015,225)	–
Total revenues	2,540,905,834	10,880,130	281,039,200	1,832,825,164	(332,015,225)	2,500,809,939
Finance income	5,033,576	138,181	389,455	5,561,212	–	5,561,212
Finance charges	(33,884,147)	(936,809)	(52,601,685)	(87,422,641)	–	(87,422,641)
Provision for income tax	175,512,446	41,041	–	175,553,487	–	175,553,487
Net income (loss)	652,773,117	(50,770,304)	214,048,470	816,051,283	(332,015,225)	484,036,058

4. Cash and Cash Equivalents and Short-term Cash Investments

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Cash on hand	₱243,775	₱438,565
Cash in banks	1,983,507,233	3,422,014,549
Cash equivalents	1,331,917,675	517,394,440
	₱3,315,668,683	₱3,939,847,554

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short-term cash investments amounting to ₱9 million and ₱173 million as at June 30, 2016 and December 31, 2015, respectively, consist of money market placements with maturities of more than three months but less than one year with interest ranging from 3.00% to 4.10%.

5. Trade and Other Receivables

	June, 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Trade:		
Power	₱877,257,537	₱682,845,454
Real estate	88,415,518	86,276,518
Product distribution and others	31,730,458	31,730,458
Due from related parties	1,012,807,393	867,129,580
Retention receivable	47,364,378	47,364,378
Others	531,512,804	128,156,128
	2,589,088,088	1,843,502,516
Less allowance for impairment losses	81,779,279	80,401,919
	₱2,507,308,809	₱1,763,100,597

Power
These represent billings to NPC by SPPC and WMPC under existing ECAs. These receivables are noninterest-bearing and are generally on 30 days term. Trade receivables include long-outstanding receivables of SPPC from NPC amounting to ₱115 million as at June 30, 2016 and December 31, 2015, representing billings from 2005 to 2006 for additional 5MW installed capacity nominated by SPPC. The allowance provided amounting to ₱30 million as at June 30, 2016 and December 31, 2015 is management's best estimate of impairment loss on the long-outstanding receivables from NPC.

Real Estate
These pertain to receivables from venturers and customers from the sale of residential and commercial lots and units.

Product Distribution and Others
These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at June 30, 2016 and December 31, 2015.

Retention Receivable and Due from Related Parties
Retention receivable pertains to the outstanding balance from Aboitiz Land, Inc. (Aboitiz) for the sale of Lima Land Inc. (LLI), which will be collected upon accomplishment of certain milestones.

Transaction with related parties pertain mainly to cash advances and reimbursement of expenses. Outstanding related party balances are generally settled in cash.

6. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Eagle Ridge Project (General Trias, Cavite) - at cost	₱619,879,459	₱620,497,880
Campo Verde Project (Lipa and Malvar, Batangas) - at NRV	16,077,704	16,077,704
	₱635,957,163	₱636,575,584

Investments in Real Estate

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Lanang Property (Lanang, Davao City)	₱–	₱1,272,631,722
ALC Property (Pasong Tamo, Makati)	131,549,087	131,577,641
Batangas Project (Lipa and Malvar, Batangas)	55,044,468	54,744,468
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱191,279,491	₱1,463,639,767

Lanang Property

On December 27, 2011, the BOD of ACR approved the acquisition of 72% of the outstanding shares (consisting of 2,000,000 common shares and 344,498 preferred shares) of C. Alcantara & Sons, Inc. (CASI) from Aldevinco, a stockholder of ACR and Alcorp, in behalf of Aldevinco, for a total consideration of ₱1,226 million. The acquisition was paid through the reduction of ACR's receivables from Aldevinco equivalent to ₱1,226 million on that date. The total consideration of ₱1,226 million represents the market value of Lanang landholdings of CASI as determined by an independent third party appraiser. This acquisition provides ACR the right to own and develop 21.27 hectares of land and 3 hectares of foreshore leased area in Lanang, Davao City.

CASI filed with the Bureau of Internal Revenue (BIR) and notified the SEC regarding the shortening of its corporate life until March 31, 2014. As a result, ACR received the Lanang property of CASI as liquidating dividend amounting to ₱1,226 million in 2014. Transaction costs incurred such as taxes and processing fees to transfer the Lanang property to ACR's name totaling ₱49 million were capitalized as part of "Investments in real estate". Also, ACR incurred input VAT amounting to ₱103 million in 2014 arising from this transaction.

On April 11, 2016, ACR sold the Lanang property to Aviana for cash consideration amounting to ₱954 million and shares of stock in Aviana amounting to ₱318 million. The additional shares of stock in Aviana was recognized as part of "Investment in associates".

7. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation cash-generating units consisting of the operations of SPPC and WMPC.

The carrying amount of goodwill allocated to SPPC and WMPC amounted to ₱1,052 million as at June 30, 2016 and December 31, 2015.

Goodwill is subject to annual impairment testing which is performed by management at every December 31st or whenever indicators of impairment are present. After considering the current power outlook in Mindanao, the recoverable amount of the operations of SPPC and WMPC have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management.

8. Other Noncurrent Assets

Property, Plant and Equipment
As at June 30, 2016 and December 31, 2015, additions to property, plant and equipment amounted to ₱ 919.9 million and ₱2,565.1 million, respectively. Depreciation and amortization expense during the six-months period ended June 30, 2016 and 2015 amounted to ₱169.6 million and ₱183.0 million, respectively.

Investment in Associates
In 2016, the Group made additional equity investment in Aviana amounting to ₱581 million.

Other Noncurrent Assets

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Deferred project costs	₱336,661,775	₱323,168,150
Deposits	60,310,781	58,226,913
Deferred oil exploration costs	63,372,934	63,372,934
Computer software	8,087,186	13,484,761
Deferred financing costs	–	492,589
Others	1,845,065	5,816,995
	470,277,741	464,562,342
Less provision for impairment loss	63,372,934	63,372,934
	₱406,904,807	₱401,189,408

Deferred Project Costs
Deferred project costs are external and incremental direct internal costs related to the Group's energy and power and other development projects. Costs incurred are initially recorded as part of noncurrent assets and will subsequently be reclassified to construction-in-progress under "Property, plant and equipment" account once physical construction has started.

Deferred project costs pertain to the following ongoing projects:

a. *ZAM 100.* ZAM 100 is a coal-fired power plant project with a 100MW capacity in San Ramon, Zamboanga City (see Note 1). As at June 30, 2016 and December 31, 2015, cumulative costs incurred for this project amounted to ₱267 million and ₱257 million, respectively.

b. *Siguil.* Siguil hydro powerplant project is a 16.7MW run-of-river that will be located at Sitio Siguil, Brgy. Tinoto, Maasim, Sarangani. The project is composed of a non-overflow concrete gravity dam. Its hydrology validation study is on-going and the DOE registration requirements have been completed. As at June 30, 2016 and December 31, 2015, cumulative costs incurred for this project amounted to ₱70 million and ₱66 million, respectively.

9. Accounts Payable and Other Current Liabilities

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Trade	₱635,362,950	₱405,251,742
Accrued expenses	557,120,675	425,996,345
Payable to customers	63,668,507	199,495,999
Output tax and withholding tax payable	19,982,181	107,363,534
Advances from customers	26,814,300	27,441,600
Other current liabilities	209,805,883	182,984,328
	₱1,512,754,496	₱1,348,533,548

Trade payables are noninterest-bearing and are normally on a 60 to 75 days term.

10. Equity

Capital Stock

	June 30, 2016		December 31, 2015	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Common stock - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred stock - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000
Common Shares				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
Preferred Shares				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(28,416,667)		(28,416,667)
		₱6,318,083,333		₱6,318,083,333

On May 25, 2011, SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.0 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.

b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares.

c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.

d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

On February 4, 2013, Alcorp subscribed to 5,500,000,000 preferred shares with par value of ₱0.01 per share, from the unissued authorized preferred shares of the Company. On the same date, Alcorp paid ₱13.8 million representing 25% of the subscription price of ₱55.0 million.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Activity	Authorized Common Shares	No. of Shares Issued	Issue/Offer Price
1993	Initial Public Offering	12,000,000,000	6,291,500,000	₱1
2011	Conversion of unissued common shares to redeemable preferred shares	(55,000,000)	–	–
		11,945,000,000	6,291,500,000	

Retained Earnings

On May 4, 2012, the BOD approved the appropriation of ₱850 million of its retained earnings as at December 31, 2011, for its equity contributions to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2	Phase 1 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱400	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
IDPP 1 & 2*	Rehabilitation of 108 MW diesel plant in Iligan City	200	2013
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

** The ₱200 million previously appropriated for IDPP 1 & 2 in 2012 was reallocated to SM200 Phase 2 which is expected to be completed in 2018.*

On March 28, 2014, the BOD approved an additional appropriation of ₱850 million of the Parent Company's retained earnings as at December 31, 2013 for its equity contribution to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2*	Phase 2 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱600	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2017
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

**As discussed above, completion of Phase 2 was extended to 2018.*

On December 11, 2015, the BOD approved the reversal of appropriation relating to Phase 1 of the Sarangani project amounting to ₱400 million.

The retained earnings are restricted from being declared as dividends to the extent of the appropriation for equity contribution to the foregoing projects.

The Parent Company declared the following cash dividends:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2016	May 27, 2016	₱100,664,000	₱0.016	June 30, 2016	July 25, 2016
2016	May 27, 2016	4,400,000	0.0008	June 30, 2016	July 25, 2016
2015	March 27, 2015	3,145,750	0.0005	June 5, 2015	March 22, 2016
2015	May 22, 2015	62,915,000	0.01	June 5, 2015	June 16, 2015

Dividends on preferred shares amounting to ₱4 million in 2016 and 2015 were applied against the Parent Company's subscriptions receivable from Alcorp.

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱446 million and ₱390 million in 2016 and 2015, respectively.

The retained earnings is further restricted for dividend declaration to the extent of undistributed earnings of subsidiaries amounting to ₱537 million and ₱520 million as at June 30, 2016 and December 31, 2015, respectively.

Earnings Per Share (EPS) Attributable to Equity Holders of the Parent

	Six-Month Period Ended June 30	
	2016 (Unaudited)	2015 (Unaudited)
Net income attributable to equity holders of the parent*	₱47,675,355	₱214,584,313
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.008	₱0.034

** net of dividends declared on preferred shares*

11. Loans Payable

In 2015, MPC availed a short-term, unsecured bank loans amounting to ₱827 million ($17.6 million). The loan bears interest rates ranging from 4.0% to 4.3%. Outstanding loan balance amounted to ₱300 million as at December 31, 2015. The loans were fully paid in 2016.

12. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, short-term cash investments, AFS financial assets, loans payable, derivative liability and long-term debt. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables (including noncurrent portion of installment receivables) and accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (interest rate risk, equity price risk and foreign currency risk).

Management and the BOD review and approve policies for managing each of these risks which are summarized below.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

In the Group's real estate business, transfer of the property is executed only upon full payment of the purchase price. There is also a provision in the sales contract which allows forfeiture of the installment/deposits made by the customer in favor of the Group in case of default. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments.

In the Group's power generation business, exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of the receivables from PSAs with various customers.

The credit risk arising from financial assets of the Group, which comprise cash and cash equivalents, short-term cash investments, trade and other receivables and AFS investments, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk
Liquidity risk arises from the possibility that the Group encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and financial assets (held for liquidity purposes):

	June 30, 2016				
	On Demand	< 1 Year	>1–3 Years	> 3 Years	Total
Financial Liabilities					
Accounts payable and other current liabilities*	₱1,398,565,101	₱94,207,214	₱–	₱–	₱1,492,772,315
Long-term debt	–	252,587,063	9,513,901,604	7,502,677,781	17,269,166,448
	₱1,398,565,101	₱346,794,277	₱9,513,901,604	₱7,502,677,781	₱18,761,938,763
Financial Assets					
Cash and cash equivalents	₱3,315,668,683	₱–	₱–	₱–	₱3,315,668,683
Short-term cash investments	–	9,392,000	–	–	9,392,000
Trade receivables	229,664,613	679,201,148	6,758,473	–	915,624,234
AFS financial assets	2,342,763,271	–	–	–	2,342,763,271
	₱5,888,096,567	₱688,593,148	₱6,758,473	₱–	₱6,583,448,188

** Excluding statutory payables and other payable to government agencies*

	December 31, 2015				
	On Demand	≤ 1 Year	>1–3 Years	> 3 Years	Total
Financial Liabilities					
Accounts payable and other current liabilities*	₱1,051,121,865	₱190,048,149	₱–	₱–	₱1,241,170,014
Loans payable	–	300,000,017	–	–	300,000,017
Long-term debt	–	311,720,556	10,219,392,386	6,648,896,247	17,180,009,189
	₱1,051,121,865	₱801,768,722	₱10,219,392,386	₱6,648,896,247	₱18,721,179,220
Financial Assets					
Cash and cash equivalents	₱3,939,847,554	₱–	₱–	₱–	₱3,939,847,554
Short-term cash investments	–	172,944,935	–	–	172,944,935
Trade receivables	159,688,376	567,438,649	6,758,473	–	733,885,498
AFS financial assets	124,304,503	–	–	2,221,268,768	2,345,573,271
	₱4,223,840,433	₱740,383,584	₱6,758,473	₱2,221,268,768	₱7,192,251,258

* *Excluding statutory payables and other payable to government agencies*

Equity Price Risk

Equity price risk is the risk that the fair value of quoted AFS financial assets decreases as the result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's quoted AFS financial assets. The Group's policy requires it to manage such risk by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector. The Group intends to hold these investments indefinitely in response to liquidity requirements or changes in market conditions.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value.

The Group considers its total equity and debt reflected in the unaudited interim condensed consolidated balance sheet as its capital. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional. No changes were made in the objectives, policies or processes as at June 30, 2016 and December 31, 2015, respectively.

The Group monitors its capital based on debt to equity ratio. The Group includes within debt interest bearing loans and borrowings. Capital includes equity attributable to the equity holders of the parent less (add) the net unrealized gain (loss) reserve and cumulative translation adjustments.

The Group's current ratio and debt-to-equity ratio as at June 30, 2016 and December 31, 2015 follow:

Current Ratio

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Current assets	₱7,704,719,059	₱7,902,997,308
Current liabilities	2,351,010,940	2,025,155,511
	3.28:1	3.9:1

Debt-to-Equity Ratio

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Long-term debt	₱17,269,166,448	₱17,180,009,189
Loans payable	–	300,000,017
Total debt	17,269,166,448	17,480,009,206
Equity attributable to equity holders of the parent	10,092,512,295	10,183,374,008
	1.71:1	1.72:1

13. Financial and Non-financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial and non-financial instruments by valuation technique:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

During the six-month periods ended June 30, 2016 and 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

PART I – FINANCIAL INFORMATION

Item 1.Financial Statements

The following financial statements are submitted as part of this report:

Interim Financial Statements as of June 30, 2016 and for the Three-Month Periods Ended April 1, 2016 and 2015 (with Comparative Audited Consolidated Balance Sheet as of December 31, 2015).

Key Performance Indicators

The following key performance indicators were identified by the Company and included in the discussion of the results of operations and financial condition for the Six months ended June 30, 2016 and 2015. (Amounts in million pesos, except ratios)

Financial KPI	Definition	June 30	
		2016	2015
Profitability			
REVENUES		**₱3,201**	**₱2,501**
EBITDA		**718**	**909**
EBITDA Margin	EBITDA / Net Sales	**22%**	**36%**
Return on Equity	Net Income / Total Average Stockholders' Equity	5%	19%
NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS		**52**	**219**
Efficiency			
Operating Expense Ratio	Operating Expenses / Gross Operating Income	57%	26%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities / Net Financial Debt	6%	5%
CURRENT RATIO	Current Assets / Current Liabilities	3.28:1	3.36:1
DEBT-TO-EQUITY RATIO		1.71:1	1.40:1
Asset-to-equity Ratio	Total Assets / Total Equity	2.90:1	2.67:1
Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	2.14:1	8.48:1

Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased to 22% from 36% in the same period last year due mainly to lower income this year resulting from the change of Western Mindanao Power Corp. and Southern Philippines

Power Corp. ECA with NPC to Merchant effective December 18, 2015 and April 18, 2016. Return on equity (ROE) also decreased from 19% to 5% due mainly to the lower net income generated during the current period.

Efficiency

For the Six-month period ended June 30, 2016, the Company's three diesel plants sold 536 gigawatt hours of electricity – 24% less than the 710 gigawatt hours sold in the same period last year. Sarangani Energy Corporation's Section 1 started commercial operations on April 29, 2016 and contributed 122 gigawatt hours of electricity to Southern Mindanao. All these plants have significantly contributed in alleviating the power shortage in that of the Country. Operating expense ratio however, increased to 57% from last year's 26% due to higher non-recurring expenses during the period. The efficiency of the 2016 actual results of operation is in accordance with the operating plan and budget of the Company.

ACR's cash flows from operations this year increased 98% at ₱1,123 million from a last year's ₱564 million resulting from the timing of settlement of trade and other current liabilities during the period. Net debt coverage ratio decreased to 2% from 4% in 2015 due to the higher operating cash flows, while current ratio slightly decreased to 3.28:1 from last year's 3.36:1 resulting from lower cash and cash equivalents during the period.

DESCRIPTION OF KEY PERFORMANCE INDICATORS:

1. REVENUES. Revenue is the amount of money that the company subsidiaries receive arising from their business activities and is presented in the top line of the statements of income. The present revenue drivers of the Company are i) Energy and power and ii) Real estate. Revenue growth is one of the most important factors management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making a sound investment decision.

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA). The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

3. NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT. Net income attributable to shareholders is one more step down from net income on the income statement. The net income of a company is just all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.

4. DEBT-TO-EQUITY RATIO. This measures the company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

5. CURRENT RATIO. Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

RESULTS OF OPERATIONS

The six months financial results showed ₱3,201 million revenues, 28% higher than the ₱2,501 million revenues in 2015. The increase was due mainly to the start of commercial operations of SEC which commenced on April 29 this year and contributed ₱935 million in revenues. All the existing diesel plants were already merchant plants.

Cost of goods sold and services was also higher in 2016 due mainly to the pass-on fuel cost of the diesel plants. SEC on the other hand, contributed ₱730 million in direct cost during the period. As a result gross profit significantly lower this year at ₱724 million from ₱973 million in 2015 and gross profit rate from 39% to 23%.

Due to the one-time expenses incurred this year, general and administrative expenses increased significantly by 29% from ₱203 million to ₱263 million this year. These one-time costs were related to the corporate re-organization of the CFB plants.

Net finance charges this year was at ₱221 million compared to last year's ₱81 million due mainly to the interest incurred on the project loan related to the construction of SEC phase 1.

Net other income of ₱11 million in 2016 versus a loss of ₱28 million incurred in 2015 due to the one-time loss resulting from a disposal of a portion of undeveloped property of Alsons Land during that year.

Due to the effect of higher finance charges this year, the consolidated net income before tax for the period was 62% lower at ₱251 million from ₱660 million in 2015. Provision for income tax was also lower this year at ₱94 million from ₱176 million in 2015 due to lower taxable income. Parent net income was lower at ₱52 Million against the ₱219 Million registered in the same period last year. The resulted 76% lower earnings per share of ₱0.0008 from ₱0.0035 in previous year.

The six months financial results in 2016 is in accordance with the operating plan and better than budget.

REVIEW OF FINANCIAL POSITION

ACR and Subsidiaries posted total assets of ₱30,721 million, 2% higher than the ₱30,166 million at the end of 2015.

Current assets decreased by 3% from ₱7,903 million to ₱7,704 million brought about by the lower cash and cash equivalents during the period.

On the other hand, non-current assets increased 9% from ₱22,263 million to ₱23,017 million. This is due largely to the increase in property, plant and equipment resulting from the construction of SEC power plant during the period.

Total liabilities amounted to ₱20,110 million, 3% higher than the ₱19,566 million reported at the end of 2015. The loans payable drawdown of the project loan for SEC and the unpaid dividend declared by SPPC and WMPC during the period, resulted to the increase in total liabilities.

As of June 30, 2016, ACR's current ratio decreased from 3.36:1 to 3.28:1 and its debt to equity ratio also increased to 1.72:1 from 1.40:1 last year.

ACR's consolidated statement of cash flows showed that cash from operating activities is the major source of funding for payment of maturing loans, while cash flows from financing activities was used for additional capital expenditures.

I. Causes of the material changes (5% or more) in balances of relevant accounts as of March 31, 2016 compared to December 31, 2015 are as follows:

a) **Cash and Cash Equivalents** – Decreased 16%
The decrease is due mainly to the timing of usage of cash by the operating Companies as well as the cash drawn from the project loan of Sarangani Energy and the Parent Company during the period.

b) **Short-term Cash Investments** – Decreased 95%
The decrease is due mainly to usage of and the termination of placements by SPPC and WMPC during the year.

c) **Trade and other receivables** – Increased 42%
The increase is due mainly to the timing of collection of trade receivables during the period.

d) **Spare Parts and Supplies** – Increased 25%
The increase is due mainly to the spare parts billed-up of Sarangani Energy during the period as well as usage of the SPPC, MPC and WMPC for their regular maintenance.

e) **Prepaid Expenses and Other Current Assets** – Decreased 31%
The decrease was due to the timing of payments of creditable withholding and valued added taxes.

f) **Investment in Real Estate** – Decreased 87%
The decrease is due mainly to the transfer of the Parent Company's Lanang Land to Aviana Development Corporation, a Joint Venture Company with Ayala Group.

g) **Investment in Associates** – Increased 70%
The increase was due mainly to the transfer of the Parent Company's land to Avina as its equity in the Joint Venture Company.

h) **Retirement Assets** – Decreased17%
The decrease was due to the additional accrual of current service costs of SPPC and WMPC which were deducted from the balance of the retirement Assets during the year.

i) **Other Noncurrent Assets** – Increased 1%
The increase was due mainly to the additional deferred project cost incurred during the period.

j) **Accounts Payable and Accrued Expenses** – Increased 12%
The timing of payments of trade payables led to the increase in this account during the period.

k) **Dividends Payable** - Increased 100%

The increase is due mainly to the unpaid dividend declared by SPPC and WMPC during the period.

l) **Income Tax Payable** – Decreased 46%
Timing of payments of income tax payable led to the increase in this account during the period.

m) **Loans Payable** – Decreased 100%
The decrease was due to the full repayment of the loans payable during the period.

n) **Retirement Payable** – Decreased 25%
The settlement of retirement benefits of some SPPC employees caused the decrease in in this account.

o) **Reserves** – Decreased 5%
The translation of US$ denominated assets of the SPPC and WMPC at current PhP exchange rate caused the decrease in this account.

p) **Noncontrolling Interest** – Increased 25%
The share on noncontrolling interest in consolidated net income during the period caused the increase in this account during the period.

ii. Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of obligation.

Some of the subsidiaries or affiliates of the Company are from time to time involved in routine litigation and various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of the legal matters in which its subsidiaries or affiliates are involved have material effect on the Company's financial condition and results of operations.

iii. There are no Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

PART II – OTHER INFORMATION

Other Required Disclosures

1. The attached Interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2015.

2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

4. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.

5. There were no material events subsequent to June 30, 2016 up to the date of this report that needs disclosure herein.

6. There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

7. There were no changes in contingent liabilities or contingent assets since December 31, 2015.

8. There are no material contingencies and other material events or transactions affecting the current interim period.

9. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

10. There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact to the Company.

11. There is no significant element of income or loss that did not arise from the Company's continuing operations.

12. There are no known seasonal or cyclical aspects that had a material effect on the financial condition or results of operations for the interim period.

13. There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources for such expenditures.

14. Any seasonal aspects that had a material effect on the financial condition or results of operations.

    ACR being a holding company has no seasonal aspects that will have any material effect on its financial condition or operational results.

    ACR's power business units generates fairly stable stream of revenues throughout the year.

    ACR's real property development does not show any seasonality. The remaining real estate inventory of Alsons Land does not shown signs of impairments during the period.

There are NO matters and events that need to be disclosed under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

Registrant : _____ **Date:** 8/11/16
TIRSO G. SANTILLAN, JR.
Executive Vice-President & COO

_____ **Date:** 8/11/16
LUIS R. YMSON, JR.
Chief Financial Officer

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Supplementary Schedules
As of June 30,2018

Attachment B

Title of Issue and Type of Obligation	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
Parent Company					
Development Bank of the Phils.	-	Fixed 7.243%	Maturity Date	3. Dec. 2020	3,409,835,160
Land Bank of the Philippines	-	Fixed 7.243% and 7.92%	Maturity Date / Annually	3. Dec. 2020 and 3. Dec. 2022	2,388,399,538
Robinsons Bank Corporation	-	Fixed 7.243% and 7.92%	Maturity Date / Annually	3. Dec. 2020 and 3. Dec. 2022	985,470,922
Social Security System	-	Fixed 7.243%	Maturity Date	3. Dec. 2020	468,877,001
SSS Provident Fund	-	Fixed 7.92%	Annually	3. Dec. 2022	69,214,472
Saranggani Energy Corp.					
Banco de Oro	83,537,113	Fixed 8.06%	Semi-Annual	19. Oct. 2026	4,902,080,582
RCBC	16,379,826	Fixed 8.06%	Semi-Annual	19. Oct. 2026	961,192,271
UCPB	16,379,826	Fixed 8.06%	Semi-Annual	19. Oct. 2026	961,192,271
Asia United Bank	24,569,739	Fixed 8.06%	Semi-Annual	19. Oct. 2026	1,441,788,408
Philippine Business Bank	8,189,913	Fixed 8.06%	Semi-Annual	19. Oct. 2026	480,596,137
Planters Development Bank	1,637,983	Fixed 8.06%	Semi-Annual	19. Oct. 2026	96,119,227
Robinson Savings Bank	1,637,983	Fixed 8.06%	Semi-Annual	19. Oct. 2026	96,119,227
Decomissioning Liability					178,555,935
Mapalad Power Corporation					
Banco de Oro	100,254,680	Fixed 6.25%	Semi-Annual	15. Aug. 2019	557,138,235
TOTAL	Php252,587,063				Php17,016,579,385

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
ACCOUNTS RECEIVABLES
AS OF JUNE 30,2016

Attachment A

Type of Accounts Receivable:	TOTAL	1month	2-3months	4-6months	7months to 1year	1-2years	3-5years	6years and above	Past due Accounts
a) Accounts Receivable – Trade									
1 Power	877,257,537	611,033,188	145,864,053	111,860,909	6,147,449	2,331,947			-
2 Real Estate	84,813,147	494,382	864,224	954,440	2,634,918	4,778,350	2,507,256	72,583,537	-
3 Rental	3,602,371	338,869	219,027	293,431	497,422	990,877	351,311	911,434	-
4 Plywood Hardiflex, agri & Indl	31,730,458							31,730,458	-
Subtotal	997,403,513	611,866,419	146,937,314	113,128,780	9,279,789	8,101,174	2,858,567	105,231,429	-
Less: Allow. For Doubtful Accounts	76,518,681	-	-	-	-	-	-	76,518,681	-
Net Trade Receivables	920,884,832	611,866,419	146,937,314	113,128,780	9,279,789	8,101,174	2,858,567	28,712,749	-
b) Accounts Receivable – Others									
1 Advances affiliates/project developer/joint venture	1,012,807,393	63,480,847	16,823,006	2,693,077	1,172,023	2,916,766	9,313,345	916,208,238	-
2 Advances contractors and suppliers	50,614,773	11,077,228	13,482,531	11,666,090	9,356,596			5,010,329	-
3 Accrued Interest	1,844,030	1,844,030							-
4 Advances officers & employees	8,927,394	3,936,228	2,058,484	446,288	451,617	1,352,251	147,449	535,087	-
5 Miscellaneous and other receivables	517,490,985	356,582,328	72,341,626	1,804,260	4,875,545	4,818,534	53,782,346	24,486,255	-
Total Accounts Receivable – Others	1,591,684,575	435,920,845	104,705,637	16,831,713	15,855,880	8,887,551	63,243,140	946,239,909	-
Less: Allow. For Doubtful Accounts	5,260,598							5,260,598	-
	1,586,423,977	435,920,845	104,705,037	16,831,713	15,855,880	8,887,551	63,243,140	948,979,011	-
ACCOUNTS RECEIVABLE-NET (a + b)	2,507,308,809	1,047,787,064	251,643,351	129,960,493	25,135,669	16,988,725	66,101,707	969,691,760	-

Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
1. Trade receivable		
a) Power	Receivable arising from sale of power to NPC	30 days
b) Lots	Sale of residential lots	3 to 10 years
c) Rental	Office, parking & warehouse rental	30 days
d) Plywood Hardiflex, agri & Indl	Sale of ecowood, fiber cement board, Agri & industrial products	30,60 & 120 days
2. Non-Trade receivable		
a) Advances Officers & Employees	Cash advances for business expenses	30 days
b) Advances Operators/Contractors	Advances made to operators/contractors	30 days
c) Accrued Interest	Interest on temporary investments	30 – 90 days
d) Others	Advances to various and other entities for business/investment	
	development and routinary inter-company transactions.	30 days – 2 years

Alsons Consolidated Resources, Inc. and Subsidiaries **Attachment C**
Schedule of Financial Soundness

Financial KPI	Definition	Six Months Period Ended June 30	
		2016	2015
Liquidity Current Ratio / Liquidity Ratio	Current Assets / Current Liabilities	3.28:1	3.36:1
Solvency Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable / (Capital Stock-Non-controlling interest+RE)	1.71:1	1.40:1
Interest Rate Coverage Ratio Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	2.14:1	8.48:1
Profitability Ratio Return on Equity	Net Income / Total Average Stockholders' Equity	5%	19%
Asset-to-Equity Ratio Asset-to-Equity Ratio	Total Assets / Total Equity	2.90:1	2.67:1

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	9	3	6	6

Company Name

A	L	S	O	N	S		C	O	N	S	O	L	I	D	A	T	E	D		R	E	S	O	U	R	C	E	S	,
I	N	C	.																											

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

A	l	s	o	n	s		B	u	i	l	d	i	n	g	,		2	2	8	6		C	h	i	n	o			
R	o	c	e	s		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y	,				
M	e	t	r	o		M	a	n	i	l	a	,		P	h	i	l	i	p	p	i	n	e	s					

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
legal@alcantaragroup.com	982 - 3000	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
466	Any day of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982-3000	

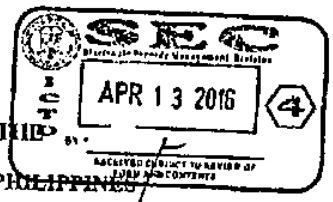
Contact Person's Address

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES



1. For the fiscal year ended 31 December 2015

2. SEC Identification Number 59366 3. BIR Tax Identification No. 001-748-412

4. ALSONS CONSOLIDATED RESOURCES, INC.
Exact name of registrant as specified in its charter

5. Philippines 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation
Industry Classification Code:

7. Alsons Building., 2286 Don Chino Roces Avenue, Makati City, Philippines 1231
Address of principal office Postal Code

8. (632) 982-3000
Registrant's telephone number, including area code

9. (Not applicable)
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [X] No [ ]

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 there under or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

₱ 1,688,201,540.64
Assumption: Based on Closing Price of ₱1.34 as of 29 December 2015 and on 1,259,851,896 shares.

TABLE OF CONTENTS

		Page No.
PART I - BUSINESS AND GENERAL INFORMATION		
Item 1	Business	1
Item 2	Properties	7
Item 3	Risks	8
Item 4	Legal Proceedings	9
Item 5	Submission of Matters to a Vote of Security Holders	9
PART II - OPERATIONAL AND FINANCIAL INFORMATION		
Item 6	Market for Registrant's Common Equity and Related Stockholder Matters	9
Item 7	Management's Discussion and Analysis or Plan of Operation	11
Item 8	Financial Statements	23
Item 9	Changes in and Disagreements With Accountants and Financial Disclosure	23
PART III - CONTROL AND COMPENSATION INFORMATION		
Item 10	Directors and Executive Officers of the Registrant	25
Item 11	Executive Compensation	30
Item 12	Securities Ownership of Certain Beneficial Owners and Management	32
Item 13	Certain Relationship and Related Transactions	33
PART IV – CORPORATE GOVERNANCE		
Item 14	Corporate Governance	35
PART V – EXHIBITS AND SCHEDULES		
Item 15	a. Exhibits	35
	b. Reports on SEC Form 11-C (Current Report)	36
SIGNATURES		37
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES		38
INDEX TO EXHIBITS		38

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Alsons Consolidated Resources, Inc. ("ACR" or the "Company") was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. (Tegre) in March 1995.

In 1994, the Alcantara Group, through Alsons Power Holdings Corporation (APHC), acquired a 55.80% interest in Tegre through a swap of APHC's 50.78% stake in Northern Mindanao Power Corporation (NMPC). The Securities and Exchange Commission (SEC) formally approved the stock swap on March 4, 1995 together with the increase in the Company's authorized capital stock from ₱1 billion to ₱3 billion.

The corporate name was changed to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. The Company's primary purpose was subsequently changed to that of an investment holding company, and oil exploration was relegated to a secondary purpose.

On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result of this reorganization, some of the Alcantara Group's established businesses became majority or minority owned subsidiaries of ACR and the Company's authorized capital was further increased from ₱3 billion to ₱12 billion.

ACR's core businesses, conducted through its various subsidiaries and associates, can be grouped into the following main categories: a) Energy and Power, b) Property Development, and c) Other Investments. A description of the general nature and scope of these businesses is presented below:

Energy and Power

ACR's investment in the Energy and Power business is through four holding firms namely, Conal Holdings Corporation (Conal or CHC) and Alsing Power Holdings, Inc. (Alsing), Alsons Renewable Energy Corpration (AREC) and Alsons Thermal Energy Corporation. Conal owns all of ACR's diesel plants operating power generation businesses, namely: (1) Alsing Power Holdings, Inc. at 80%, (2) Alto Power Management Corporation at 60% and (3) Mapalad Power Corporation 100%. Alsing, in turn, owns 55% of: (a) Western Mindanao Power Corporation; and, (b) Southern Philippines Power Corporation. Further, ACR directly owns 20% of Alsing. AREC, which was organized on October 2, 2014 is currently in the process of developing Siguil Hydro Power Corporation and Kalaong Hydro Power Corporation, both in the renewable energy and holds 100% of these entities. ATEC was organized on December 3, 2015 wherein ACR is currently in the process of folding-in its 75% interest in Sarangani Energy Corporation (SEC) and 100% of San Ramon Power, Inc.(SRPI).

ACR also formed Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011 which will be operations and maintenance Company of SEC and SRPI once these plants become operational.

ACR also has a wholly owned subsidiary, Alsons Power International Limited (APIL), which handles the development of the power plant projects of ACR outside the country.

The three (3) operating power generation subsidiaries, Western Mindanao Power Corporation (WMPC) and Southern Philippines Power Corporation (SPPC) and Mapalad Power Corporation (MPC) are all located in Mindanao.

WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City under an 18-year "Build-Operate-Own" (BOO) arrangement with National Power Corporation (NPC) until December 2015. SPPC, on the other hand, operates a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 15 kilometers east of the city proper of General Santos, also under a BOO arrangement with NPC for 18 years until April 28 2016.

MPC rehabilitated and started operating 98 MW of the 103MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government on February 27, 2013. The Company entered into Power Sales Agreement (PSA) with various distribution utilities and electric cooperatives, namely Holcim Philippines, Inc. (10MW); Iligan Light and Power, Inc. (10MW); South Cotabato II Electric Cooperative, Inc. (30 MW); Zamboanga City Electric Cooperative, Inc. (18 MW); Agusan del Norte Electric Cooperative (15 MW); Agusan del Sur Electric Cooperative (10MW); Zamboanga del Sur I Electric Cooperative, Inc. (5MW) and Zamboanga del Norte Electric Cooperative (5MW).

The Mindanao Grid, where the three power plants of ACR's Energy and Power business operate, is dominated by power generated by the Agus Hydroelectric System. However, when the water of Lake Lanao is at a critical level, the Agus System cannot service the full demand of the Mindanao Grid. The SPPC and WMPC plants are therefore called for dispatch to supply this deficit. As the demand for power in Mindanao is expected to grow rapidly over the next few years, these power plants will play an important role in providing adequate and stable power for Mindanao.

Expected to play a prominent role in assuring adequate and economic power supply to the Mindanao Grid is the 210MW Coal-Fired Power Station Project Section 1 in Maasim, Sarangani, which ACR is presently constructing the first 105MW through its subsidiary, Sarangani Energy Corporation (SEC). On December 10, 2012, ACR entered into a Shareholders Agreement with Toyota Tsusho Corporation (TTC) of Japan, wherein TTC agreed to subscribe 25% of the total equity of SEC. The construction is currently undertaken by Daelim Industrial Co., Ltd. of Korea and Daelim Phils., Inc. Commercial operations is expected to commence on second quarter of 2016. Construction of Section 2 is expected to start before the end of 2016. In addition, ACR is also developing through a subsidiary, San Ramon Power Corporation (SRPI), a 105MW Coal-Fired Power Station Project (ZAM100) in Zamboanga City. ZAM100 will supply power to Zamboanga City and other parts of the Zamboanga Peninsula. SRPI obtained its Environmental Compliance Certificate (ECC) on March 20, 2012.

Property Development

ACR is also engaged in the Property Development business through its subsidiary, Alsons Land Corporation or ALC. Established on November 25, 1994, ALC was primarily involved in a 72-hole golf course development with a residential component called the "Eagle Ridge Golf & Residential Estate" in General Trias, Cavite.

The Eagle Ridge Golf & Residential Estate (Eagle Ridge) is a joint venture between ALC and Sta. Lucia Realty Development, Inc. The Fil-Estate Group of Companies primarily handles the sale of its golf shares and residential lots. Eagle Ridge is a 700-hectare project located in Gen. Trias, Cavite. The only Golf Club in the Philippines with four completed signature golf courses and three

fully operational clubhouses, Eagle Ridge has superior facilities that cater not only to golfers but also to their families and guests.

To maximize the use of its remaining land holdings, ALC is also engaged in the development of other types of housing products. Re-packaging its properties to better suit emerging market niches in the property sector, ALC launched "Campo Verde", a joint venture project with Sunfields Realty Development, Inc. The 11-hectare property is located inside LTC and an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish themed homes that are ideal for young to growing families. The model house choices range from: Condesa with a lot area of 90 square meters and floor area of 36 square meters; Duquesa with a lot size of 100 square meters and a floor area of 50 square meters; and, Reina with 120 square meter-lot and a floor area of 80 square meters. To date, ALC is focusing in selling its remaining inventories.

Through subsidiary Kamanga Agro-Industrial Economic Development Corporation, ACR is also developing the Kamanga Agro-Industrial Economic Zone, where the power plant of SEC is located in the Municipality of Maasim, Province of Sarangani, and was accredited with the PEZA as an agricultural and light-industry zone. Enterprises will be encouraged to set up their businesses in, or relocate to, this "Ecozone" to enjoy incentives prescribed by law through the PEZA.

To further expand its interest in the energy sector, the Company is presently considering several investment opportunities also in Mindanao.

Other Investments

In 2007, ACR infused capital in ACR Mining Corporation (ACR Mining) amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), one of its major stockholders, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the provinces of Davao del Norte and Compostela Valley. ACR Mining was formerly known as ACR Management Corporation. Its initial activity involved the acquisition of Alsons Development & Investment Corporation's interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial No. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipality of Nabunturan, Province of Compostela Valley and in the Municipality of Maco, Province of Davao del Norte. Previous exploration work at the project area identified three sub-parallel NW trending mineralized structures: Pagtulian, Katungbuan/Taglayag, and Magas. Detailed work on the Magas Vein Zone (MVZ) so far revealed an estimated inferred resource of 2.7 million tons containing: 2.8 g/t gold, 26 g/t silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On May 24, 2015, the Board of Directors approved and declared ACR Mining as property dividend of record date of June 5, 2015. The Securities and Exchange Commission approved the Certificate of Filing the Notice of Property Dividend on August 11, 2015. The Bureau of Internal Revenue issued its Certificate Authorizing Registration on February 22, 2016.

Status of publicly-announced new projects

1. The commercial operation date of the first 105MW phase 1 of the 210 MW Sarangani Energy Corporation is to commence second quarter of 2016. The Company is expected to reach its full 210 MW capacity in 2018. SEC's 210MW plant will help provide a sustainable and lasting solution to the power shortage in Mindanao.

The total project cost of SEC 1 was estimated at ₱13.79 billion, of which ₱4.2 billion will be funded through equity infusion by the project sponsors and ₱9.3 billion through a syndicated term loan from local banks. While SEC 2 project cost is expected to be ₱14.2 billion.

2. The 105MW San Ramon Power Inc. (SRPI) plant in Zamboanga City has received its environmental compliance certificate from the Department of Environment and Natural Resources in March 2012. The SRPI expected construction of the plant that was previously forecasted to commence in the later part of 2013 has been deferred at later time. The total project cost is estimated at ₱13.5 billion. The Company is still in the process of negotiation with various banks to finance the project. SRPI coal plant will service Zamboanga City and other nearby areas once in operation.

The Company has no existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.

1. **Business segments contribution to revenues**

Table I – Revenue Contribution by Business Segment

	(Amounts in Thousand PhP)			% to Total		
	2015	2014	2013	2015	2014	2013
Energy and Power	5,002,696	5,159,454	3,316,193	100%	100%	99%
Property Development	23,635	20,617	27,343	0%	0%	1%
	5,026,331	5,180,071	3,343,536	100%	100%	100%

Income from foreign sources amounting to ₱25 million in 2015 and 2014 and ₱27 million in 2013 represents fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia.

2. **Competition**

Aside from the numerous housing developments competing in Batangas, Cavite and Laguna areas, a shift in the market forces has prompted a slowdown in sales for the Eagle Ridge Golf and Residential Estates. Economic and affordable housing developments of Filinvest, Camella Homes, and Amaia have gained a foothold in the region.

On the other hand, while several generation companies have either commenced construction of coal-fired power stations or announced plans to build them, Sarangani Energy Corporation (SEC) has secured its position in the market by entering into Power Sales Agreements (PSAs) with various distribution utilities. Having secured the approval of the Energy Regulatory Commission of these PSAs, SEC is assured of the market for its capacity.

The diesel power stations of WMPC, SPPC, and MPC are presently fully contracted. Smaller embedded power stations have started operation in the franchise areas of some electric cooperatives but because the output of WMPC, SPPC, and MPC are competitively priced and their performance proven over years of reliable operation, these power companies continue to be the preferred supplier of most distribution utilities.

3. **Sources and Availability of Raw Materials and Supplies**

Materials and supplies used by SPPC and WMPC for power generation include fuel and lubricating oils. The National Power Corporation (NPC) provides the fuel oil while Pilipinas Shell Petroleum Corporation directly supplies the lubricating oil requirements of the plants. Wartsila Corporation of Finland supplies the engine parts and major maintenance services needed by the plants.

Meanwhile, MPC signed a Fuel Supply Agreement with Phoenix Petroleum Corporation for the supply of approximately 6 million liters of fuel. The agreement is valid until April 5, 2017. Similar to WMPC and SPPC, MPC has also agreements with Pilipinas Shell Petroleum Corporation for the supply of its lubricating oils and with Wartsila Corporation for the supply of its engines.

4. **Dependence on a Single or a Few Customers**

The SPPC and WMPC companies' sole customer used to be NPC through BOO arrangements. WMPC's ECA with NPC ended on December 12, 2015. SPPC's ECA with NPC will end on April 28, 2016. MPC and SPPC have secured, or are securing, Power Supply Agreements with various distribution utilities. Alto Power Management Corp. (APMC), a subsidiary of ACR, provides the plant and operation management services to SPPC, WMPC and MPC. Also, APMC International Ltd., a wholly owned subsidiary of APMC, provides Operations and Maintenance management services to PT Makassar Power Indonesia until April 2016.

MPC has fully contracted for 3 years its 103MW capacity to several electric cooperatives in Mindanao and Holcim. MPC increased its operating capacity by 5MW in March 2014 upon the completion of the rehabilitation of the 12th unit. The additional capacity has already been contracted with ZANECO with the same terms as other electric cooperatives.

The Property Development and other businesses of ACR are not dependent on a single or few customers and the loss of one or a few customers will have no material adverse effect on the Company and its subsidiaries.

5. **Effect of Existing or Probable Governmental Regulations on the Business**

Republic Act No. 9136, the Electric Power Reform Act (EPIRA), and its Implementing Rules and Regulations (IRR), provide for significant changes in the Power Sector which includes among others:

a. The unbundling of the generation, transmission, distribution and supply of power and other disposal assets, including its contract with IPP and electricity rates;

b. Creation of a Wholesale Electricity Spot Market (WESM) within one year; and,

c. Open and nondiscriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides: (i) cross ownership restrictions between transmission and generation companies and between transmission and distribution companies; and, (ii) a cap of 50% on the demand of a distribution utility sourced from an associated company engaged in generation except for contracts entered into prior to the

effectivity of the EPIRA; and (iii) specifically relating to generation companies, a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

6. **Research and Development**

ACR and its subsidiaries do not allocate specific amounts or a fixed percentage for research and development. All research, if any, are done by its subsidiaries and affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

7. **Employees**

As of December 31, 2015, ACR and its 50% or more directly or indirectly-owned subsidiaries has a manpower complement of 412 employees, broken down as follows: 4 executives, 21 managers, 105 supervisors and 282 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

8. **Bankruptcy Proceedings**

The Company has not contemplated any plan for bankruptcy, receivership or similar proceedings. Neither is there any material reclassification, merger, consolidation nor sale of any significant amount of assets in the ordinary course of business.

9. **Cost and Effect of Compliance with Environmental Laws**

As a holding company, ACR engages only in projects and activities that comply with environmental laws. Its power subsidiaries follow the regulations embodied in the EPIRA. All its plants meet the exhaust emission standards set by DENR. Compliance with existing environmental laws has corresponding costs, which include expenditures for the following:

a. renewal fees for the DENR permit/license to operate;
b. exhaust emission tests and monitoring (costs covered by the environmental guarantee fund);
c. environmental monitoring fund (SPPC ₱500,000 and WMPC ₱586,000); and,
d. environmental guaranty fund (SPPC ₱500,000 and WMPC ₱598,000). SPPC has spent for desulfurization facilities amounting to ₱11,785.

The Company meets all governmental, environmental, health and safety requirements. The Company's operating units are regularly inspected and have not experienced significant governmental, environment, health or safety problems. For the past three years, the total amounts spent in complying with environmental laws by the subsidiaries are as follows: a) ₱5,130,967 in 2015; b) ₱6,721,230 in 2014; and, c) ₱3,270,768 in 2013.

10. Investment Acquisition

On October 9, 2015, the Board of Directors approved the subscription to Non-Voting Preferred Shares in ALDEVINCO amounting to ₱2.2 billion. The preferred shares are entitled to receive out of the unrestricted retained earnings of the ALDEVINCO, cumulative dividends at the rate of 4% per annum of the par value of the Preferred Shares, before any dividends shall be paid to holders of the Common Shares.

On February 27, 2013, CHC acquired from the Iligan City Government, the 98 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II valued at ₱387million. MPC rehabilitated the two plants at total cost of ₱800 million, the capacity has now increased to 103MW

Alsons Power Holdings Corporation (APHC), also a company under the Alcantara Group, entered into a placement agreement (the Agreement) with Indophil to purchase the 207,708,334 shares in two (2) tranches. On December 26, 2011, APHC incorporated Alsons Prime Investments Corporation (APIC) as a wholly owned subsidiary primarily to hold the Indophil investment. The Agreement was concluded on February 6, 2012, with APIC owning 17.26% of Indophil's total outstanding shares.

Subsequently, on September 23, 2014, APIC offered to acquire all of Indophil's issued shares not already owned by APIC under a Scheme of Arrangement. Under the Scheme, APIC offered Indophil shareholders A$0.30 cash for each share that they owned. With the consent of Indophil's shareholders of the Scheme during the December 18, 2014 shareholders' meeting and the final approval by the Australia Supreme Court on January 13, 2015, payment to all shareholders on the share register as at the Record Date of January 20, 2015 except for shares already owned by APIC's affiliates, ACR and Alsons Corporation (AC), was completed on January 28, 2015. In July 2015, APIC was bought by a third party and ceased being part of the Alcantara Group. Accordingly, the Joint Voting Agreement of IRNL shares between the Parent Company, APIC and AC was deemed terminated.

On December 11, 2015, the Company entered into a Deed of Assignment of Shares (share swap) agreement with APIC, whereby the former assigned and transferred to the latter all its interest in IRNL in exchange for ownership interest in IRPI. Accordingly, the Company recognized the investment in IRPI amounting to ₱1,213 million representing the carrying value of the investment at date of the share swap agreement.

The transfer of the Company's investment in IRNL to investment in IRPI has no commercial substance since the Parent Company still exercises significant influence over IRPI due to its representation in the Board of Directors and Operating Committee of the Board of IRPI. Accordingly, ACR treats its investment in IRPI as "Investment in associate" using the equity method in the 2015 consolidated financial statements.

Mr. Nicasio I. Alcantara, Director of AC and Alsons Development & Investment Corporation, has been Indophil's non-executive Director since December 2011. Mr. Paul G. Dominguez on the other hand, is also a member of the Board of Directors of Alsons Development and Investment Corporation and is presently the Chairman of IRPI.

Item 2. PROPERTIES

DESCRIPTION OF PROPERTIES

The Company's energy and power operations are located in three different sites. WMPC's power plant is in a 9-hectare property in Sitio Malasugat, Sangali, Zamboanga City, while SPPC's plant is situated in a 16-hectare property located in Alabel, Sarangani Province, which is 13 kilometers east of the city proper of General Santos. The WMPC and SPPC properties are fully owned by the above-mentioned subsidiaries of ACR. On the other hand, CHC's Plants 1 and 2, which are operated by MPC, are in an 8-hectare property in the municipality of Lugait, Misamis Oriental and in the City of Iligan. On the other hand, the power plants in Lugait, Misamis Oriental and City of Iligan were acquired by virtue of a Deed of Sale between the City of Iligan and CHC dated February 27, 2013. The lots on which the power plants of CHC are located were acquired by MPC from Alsons Development and Investment Corporation by virtue of the deed of sale dated November 21, 2013. The SEC power plant, which is currently under construction, is located in Maasim Saragani Province.

Meanwhile, the power assets were used as collaterals in various loans, specifically: (1) the WMPC and SPPC power plants were used as collaterals for the loans obtained to finance the construction of the said plants, (2) the CHC power plant as well as the realy estate owned by MPC were used as collateral for the rehabilitation of the CHC power plants; and, (3) SEC parcel of land and the plant currently under constraction are also mortgaged to its various lender banks.

ALC, the Company's property development company, used to own a 700-hectare property in General Trias, Cavite. ALC also has properties in Batangas, Cabuyao in Laguna, and along Don Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City. Its Batangas property currently has residential developments. In addition, ALC owns the property, including the improvement, Alsons Building, where the Company maintains its corporate headquarters.

All of these properties are in good condition.

Table II – Property, Plant and Equipment (consolidated)

(Amounts in Thousand PhP)	December 31, 2015	December 31, 2014
Main Engine of Power Plant Structures and Others	7,897,194	7,923,546
Land, Buildings and Leasehold Improvements	4,417,171	818,286
Plant Mechanical, Switchyard and Desulfurization Equipment	872,079	4,417,171
Machinery and Other equipment	344,929	337,278
Construction in Progress	13,297,824	10,907,983
Cumulative Translation Adjustments	(2,413,269)	(2,446,672)
Total	24,415,928	21,957,592
Less: Accumulated Depreciation and Amortization	(8,739,796)	(8,547,049)
Net Book Value	15,676,132	13,410,543

Item 3. RISKS

Through prudent management and cautious investment decisions, ACR constantly strives to minimize risks that can weaken its financial position. However, certain risks are inherent to specific industries and are not within the direct control of the Company.

Some of the risks that the company and its subsidiaries may be exposed to are the following:

1. **Foreign Exchange Rate Fluctuations**

   The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S. Dollar and other foreign currencies. The spare parts and insurance of SPPC and WMPC are denominated in U.S. Dollars. The Company keeps a portion of its short-term investments in foreign currency to serve as a hedge in foreign exchange fluctuations.

2. **Interest Rate Risks**

   The Company's interest rate risk management policy centers on reducing overall interest expense and on minimizing other costs of borrowing. Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.

   ACR and its subsidiaries manage their interest rate risks by leveraging its debt portfolio and by optimizing a mix of fixed and variable interest rates. Other measures, are employed to avert risk include pre-payment of debts and re-financing of loans. Moreover, utilization of existing credit facilities has been kept to a minimum.

3. **Liquidity Risks**

   The Company and its subsidiaries carefully manage their liquidity position to be able to finance their working capital, debt service and capital expenditure requirements. Sufficient levels of cash and short-term money market placements are maintained to meet maturing obligations. Management regularly monitors and forecasts its cash commitments, matches debt payments with cash generated from the assets being financed, and negotiates with creditors on possible restructuring or re-financing of existing loans to avail of better terms and conditions.

4. **Credit Risks**

   ACR and subsidiaries transact only with companies and institutions that are in a sound financial position and have demonstrated good credit standing. The power companies' receivables are largely from the National Power Corporation ("NPC"), and the collection of which has been current and up to-date except for SPPC's account receivable from NPC consisting of US$7,336,536.91 and ₱96,255,433.46 plus interests from April 25, 2005 to April 25, 2010, which NPC has appealed to the Supreme Court. On the other hand, receivables of the property development company come from installment sales of industrial/residential lots and housing units. Receivable balances are monitored regularly and allowance provisions are reviewed to ensure limited exposure to bad debts.

Further discussion on the Company's financial risk management objectives and policies is contained in Note 33 of the Consolidated Financial Statements.

Item 4. LEGAL PROCEEDINGS

Southern Philippines Power Corporation (SPPC) has long-outstanding receivable that are disputed by NPC and was decided upon by the Energy Regulation Commission (ERC). On June 3, 2013, ERC decided in favor of SPPC. On June 23, 2013, NPC elevated the case to the Court of Appeals (CA). On August 17, 2015, CA denied NPC's motion for reconsideration and decided in favor of SPPC. On September 18, 2015, NPC had elevated the case with the Supreme Court (SC). As of the date of this Information Statement, SPPC has yet to receive the official decision form SC.

Some of the subsidiaries or affiliates of the Company are also from time to time involved in routine litigation as well as various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of these legal matters, in which its subsidiaries or affiliates are involved, will be material to the Company's financial condition and results of operations. Refer to Note 35 of the Consolidated Notes to Financial Statements attached to this report for detailed description.

Item 5. SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

During the calendar year covered by this report, no business matter was submitted to a vote of security holders through solicitation of proxies or otherwise.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. MARKET FOR REGISTRANT'S COMMON EQUITY and RELATED STOCKHOLDER MATTERS

1. Market Information

All the common shares of the company are listed in the Philippine Stock Exchange.

The following are the high and low market prices of the Company's shares for the past three years:

Table III – Market Price of ACR Shares

In PhP		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High	1.60			
	Low	1.19			
2015	High	2.36	2.26	1.98	1.76
	Low	1.94	1.87	1.41	1.33
2014	High	1.50	2.30	2.20	2.12
	Low	1.27	1.40	1.90	1.93
2013	High	1.58	1.45	1.51	1.44
	Low	1.22	1.25	1.31	1.25

Stock Price as of April 11, 2016 was at ₱1.38 per share.

2. Stockholders

As of December 31, 2015, ACR has 6,291,500,000 shares outstanding held by 464 stockholders, inclusive of the two (2) accounts under PCD Nominee Corporation. The list of the top twenty

stockholders of the Company as recorded by Prime Stock Transfer Services, Inc., the Company's stock transfer agent, are as follows:

Table IV – Top Twenty (20) Stockholders

Name	No. of Shares Held	% to Total
1) Alsons Corporation	2,592,524,072	41.21%
2) Alsons Power Holdings Corp.	1,249,999,600	19.87%
3) Alsons Development and Investment Corp.	1,188,524,026	18.89%
4) PCD Nominee Corporation (Filipino)	1,149,018,577	18.26%
5) PCD Nominee Corporation (Non-Filipino)	66,628,000	1.06%
6) Rennie C. Tan	7,000,000	0.11%
7) Felicisimo I. Alcantara	6,027,574	0.09%
8) SEC Account No. 2 fao: Various Customers of Guoco Securities	2,090,000	0.03%
9) All Asia Capital Trust & Investment Division	1,830,000	0.03%
10) EBC Securities Corporation	1,030,000	0.02%
11) Felipe A. Cruz, Jr.	1,000,000	0.02%
12) Nora T. Go	1,000,000	0.02%
13) First Integrated Capital Securities, Inc. (555300)	900,000	0.01%
14) First Integrated Capital Securities, Inc. (555200)	795,000	0.01%
15) Ansaldo, Godinez & Co., Inc.	755,000	0.01%
16) George Go	750,010	0.01%
17) AACTC FAO Trinity Investment	680,000	0.01%
18) EstebanYau	600,000	0.01%
19) Roy C. Tia	513,000	0.01%
20) S. J. Roxas & Co., Inc.	507,000	0.01%
20) Antonio Co	500,000	0.01%
20) Mendoza, Martinez &/or Alberto Mendoza	500,000	0.01%
20) Quiambao, Antonio S.	500,000	0.01%
20) Roqueza, Ricardo S.	500,000	0.01%
20) San Jose, Roberto V.	500,000	0.01%
20) Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%
20) Western Guaranty Corporation	500,000	0.01%
Total shares of top 20	**6,175,671,859**	**99.75%**

3. Dividends

Declaration of dividends is subject to approval by the Board of Directors. In its Board meeting held on May 22, 2015, the Board approved the payment of cash dividends of ₱0.008 per preferred share and ₱0.01 per common share to stockholders of record on June 5, 2015 and a property dividend of one ACR Mining Shares for every 200 ACR Shares held. The cash dividends were paid on June 16, 2015 while the shares of stocks of the property dividend were distributed on March 22, 2016, 30 days after the release of the Certificate Authorizing Registration by the Bureau of Internal Revenue on February 22, 2016.

The historical dividend declarations are follows:

Year	Date of Declaration	Per Share	Amount	Date of Record	Date of Payment
2014	May 23, 2014	₱0.016	₱100,664,000	June 30, 2014	July 24, 2014
2013	March 21, 2013	0.016	100,664,000	May 23, 2013	June 14, 2014
2012	May 4, 2012	0.010	62,915,000	May 18, 2012	June 14, 2012
2011	May 20, 2011	0.011	69,206,500	June 6, 2011	June 13, 2011

Management continuously endeavors to increase ACR's share value thru its new projects and project expansion programs while at the same time providing yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's unappropriated retained earnings.

4. Sales of Unregistered Securities Within the Last Two (2) Years

There are no other securities sold for cash by the Company within the last two (2) years that were not registered under the Securities Regulation Code.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

REVIEW OF CURRENT YEAR 2015 vs. 2014 OPERATIONS

Highlights of the Company's financial performance are as follows:

1. Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of ₱5,022 million in 2015, higher than the ₱ 5,180 million reported in 2014. The 3% decline was due mainly to the lower energy fees brought about by the lower indices during the year in spite of higher energy sales volume generated by the 3 power plants of the Company.

Cost of services was reported at ₱3,072 million, 13% lower than the ₱3,548 million in 2014. The change in depreciable life of the power plants of SPPC and WMPC from original ECA period to another 10 years caused the decline in costs of services.

Gross profit improved by 20% in 2015 to ₱1,950 million from ₱1,632 million in 2014 due to lower costs.

General and administrative expenses was also lower in 2015 at ₱434 million from ₱467 million in 2014 due mainly to lower taxes and licenses. Operating profit as a result significantly improved at ₱1,516 million from ₱1,165 million reported in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) was lower in 2015 at ₱ 1,591 million from ₱2,088 million in the previous year due mainly to the foreign exchange loss incurred when the Company settled its US Dollar-denominated liability in 2015 at a higher Philippine Peso translation compared to the US Dollar.

Meanwhile, interest income was 8% higher in 2015 at ₱24 million from ₱22 million in 2014 due mainly to the higher cash placements made during the year. Interest expense was 57% higher at ₱ 324 million in 2015 from ₱207 million in 2014, the interest expenses incurred for the project loan was capitalized to power plant cost of SEC that is currently under completion during the year.

On the other hand, the Company realized a net other charges of ₱84 million in 2015 from an income of ₱109 million in 2014. The foreign exchange losses of a US Dollar-denominated debt caused the downturn in other income (charges) account.

Core income without the effect foreign exchange was however improved 23% from ₱741 million to ₱909 million and the net income attributable to the Company of ₱0.064 per share, 16% higher than last year of ₱0.056.

The non-recurring foreign exchange loss, however dampened the Company's net income to ₱691 million, 5% lower than last year's net income of ₱727 million. The earnings attributable to the equity holders of the parent were reduced to ₱189 million from last year's ₱359 million. As a result, basic earnings of ₱0.030 per share decreased from ₱0.057 per share in 2014.

2. Financial Position

As of December 31, 2015, total resources of ACR and Subsidiaries remained strong at ₱30,166 million, increasing by 17% versus the ₱25,725 million level reported in 2014.

Current assets grew by 1%, from ₱7,814 million to ₱7,903 million. The increment came largely from the increase in cash and cash equivalents of Sarangani Energy Corporation ("SEC" or "Sarangani Energy") as well as higher prepaid expenses, and deposit in interest reserve account on the Fixed Rate Corporate Note (FXCN) of the Company. Similarly, noncurrent assets rose by 24%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities decreased by 18% in 2015, from ₱2,462 million to ₱2,024 million, largely on account of lower current portion of long-term debt and accounts payable and accrued expenses. Noncurrent liabilities escalated by 36%, as SEC drew from its project loan to finance its capital expenditures as well as the availment by the Company of its FXCN Facility with various noteholders.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.90:1 in 2015 versus the 3.15:1 level in 2014, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 1.47:1 to 1.84:1.

Meanwhile, net cash inflows from operating activities decreased 31% from ₱1,977 million in 2014 to ₱1,368 million in 2015, as a result of higher acquisition of spare parts and supplies as well as prepaid expenses with a combined amount of ₱792 million during the year. Together with net cash inflows from financing activities amounting to ₱1,958 million, largely from loan availments, available funds totaled ₱3,301 million in 2015, were used for power plant project construction of SEC 1 amounting to ₱1,520 during the year. The net cash balance after accounting for the above changes reached ₱3,940 million, 57% higher than last year's ₱2,512 million in the previous year

3. Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2015 showed continoues improvement in core income at ₱909 million compared to the ₱741 million earned in 2014. KPI of the Company are as follows: (Amounts in million pesos, except ratios)

Financial KPI	Definition	Calendar Year	
		2015	2014
Profitability			
Revenues		₱5,022	₱5,180
EBITDA		₱1,591	₱2,088
EBITDA Margin	EBITDA ÷ Net Sales	32%	40%
Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	7%
Net Earnings Attributable To Equity Holders		₱188	₱359
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	27%	40%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	8%	18%
Debt-To-Equity Ratio		1.85:1	1.47:1
Current Ratio	Current Assets ÷ Current Liabilities	3.90:1	3.20:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company decreased from ₱2,088 million to ₱1,591 million in 2015. EBITA Margin also decreased from 40% in 2014 to 32% in 2015 due mainly to non-recurring foreign exchange loss during the year resulting from the settlement of the Company's US Dollar-denominated debt.

Return on equity (ROE) stood at 7% for both years. Net income attributable to the equity holders of the parent decreased to ₱188 million from ₱359 million in 2014 due to the above non-recurring loss during the year. The Company's core income however, improved to ₱909 million from last year's ₱ 741 million.

Efficiency

The Company's operating expense ratio decreased to 27% in 2015 from 40% in 2014. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant which is a non-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 27%. Consequently, net debt coverage decreased to 8% from last year's 18%. Current ratio on the other hand improved to 3.90:1 from last year's 3.20:1.

DESCRIPTION OF KEY PERFORMANCE INDICATORS:

1. **Revenues.** Revenue is the amount of money that the Company and its subsidiaries receive arising from their business activities and is presented in the top line of the consolidated statements of income. The present revenue drivers of the Company are: (i) Energy and power;

and (ii) Real estate. Revenue growth is one of the most important factors that management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making sound investment decisions.

2. **EBITDA.** The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax, depreciation, and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

3. **Net Earnings Attributable to Equity Holders of Parent.** Net income attributable to shareholders is one more step down from net income on the consolidated statements of income. The net income of a company is all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.

4. **Debt-to-Equity Ratio.** This measures the Company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

5. **Current Ratio.** Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Significant Disclosures

Please refer to **Annex D** of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Annex D and the disclosures made by the Company in its Audited Consolidated Financial Statements, it is not aware of the following:

1. Unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence;

2. Issuance and repurchase of equity securities;

3. Segment revenues and segment results for business segments and geographical segments;

4. Changes in contingent liabilities or contingent assets since the annual balance sheet date;

5. Existence of material contingencies and other transaction events that are material to an understanding of the current period;

6. Known trends, commitments, events and uncertainties that will result in or likely to decrease its liquidity in a material way. ACR does not anticipate having, within the next twelve (12) months, any cash flow or liquidity problem nor does it anticipate any default or breach of any of its existing notes, loans, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, ACR expects to meet all financial loan covenants for the next interim period;

7. Events that will trigger direct or contingent material financial obligations to the Company;

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year;

9. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations;

10. Significant elements of income or loss that did not arise from the Company's continuing operations;

11. Material events subsequent to the end of the reporting period that have not been reflected in the consolidated financial statements;

12. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments and discontinuing operations.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2015 and 2014 are presented in accordance with Philippine Financial Reporting Standards (PFRS) applied on a consistent basis.

Seasonality Aspects of the Business

The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 57% Increase

   The growth in cash and cash equivalents (2015: ₱3,940 million vs. 2014: ₱2,512 million) was principally due to receipt of the loan proceeds by Sarangani Energy and the Company that remain unused as of the end of 2015. Cash generated from operations during the year was ₱1,031 million, 31% lower than previous year's ₱1,976 million. The proceeds of loan presented in the financing activities amounting to ₱9,338 million was used to finance the on-going construction of the first phase of SEC's power plant.

2. Short-term cash investments, 402% increase

   Short-term cash investments increased (2015: ₱173 million vs. 2014: ₱34 million) arising from the unutilized funds from loan proceeds intended for project construction of Sarangani Energy Corporation's power plant.

3. Trade and other receivables, 56% Decrease

The decrease was due to the conversion of a due from related party into an investment in preferred shares amounting to ₱2.2 billion.

4. Spare parts and supplies, 105% Increase

The build-up consisted mainly of the purchase of spare parts for SEC during the year, which is intended for its upcoming commercial operation in 2016.

5. Prepaid expenses and other current assets, 174% increase

The increase is due to the deposit in interest reserve account of the Parent as required by the Corporate Fixed Facility issued during the year.

6. Noncurrent portion of installments receivables, 14% Decrease

The decrease is due to collection of maturing accounts during the year.

7. Property, plant and equipment, 17% Increase

The growth is due mainly to expenditures incurred for the construction of the first phase of Sarangani Energy's power plant.

8. AFS financial assets, 1,904% Increase

The significant increase was due to the investment in preferred shares of Alsons Development and Investment Corporation with a cumulative dividend feature of 4% per annum.

9. Goodwill, 5% increase

The change in the amount of goodwill was due mainly to the change in foreign exchange rate of Philippine ₱ vis-à-vis the US $ from ₱44.72 in 2014 to ₱47.06 in 2015.

10. Retirement plan assets, 36% Decrease

The decrease was mainly due to settlement of the separation pay of WMPC employees that retired in 2015 as a result of the expiration of its ECA with NPC effective December 12, 2015.

11. Deferred Tax Assets, 55% Decrease

Lower deductible temporary differences between the amounts that are deductible in determining taxable income in future periods compared to the carrying amount of the asset. The breakdown of these changes are disclosed in Note 29 of the Financial Statements.

12. Accounts payable and other current liabilities, 8% Increase

The increase in accrued interest due to higher loan availments during the year caused the increase in accounts payable and accrued expenses accounts.

13. Loans payable, 15% Increase

The availment of a short-term working capital facility of Mapalad Power Corporation during the year, caused the increase in this account.

14. Income tax payable, 46% Decrease

The decrease was due to the lower taxable income earned during the year.

15. Derivative liability, 100% Decrease

The decline of derivative liability was the result of partial prepayment of the loan during the year thereby resulting to a mark-to-market gain. The salient features of this loan were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized. In 2015, the loan was fully settled and the remaining balance of derivative liability was reversed.

16. Current and Long-term debt, 33% Increase

The increment was due to the drawdown from the project loan facility of SEC during the year as well as the availment of a ₱7.2 billion FXCN Facility and the settlement of the US$100 million UBS loan of the Company.

17. Retirement liabilities, 13% Decrease

The decrease was due mainly to the re-measurement of retirement benefit obligation as conducted by independent Actuary during the year.

REVIEW OF 2014 vs. 2013 OPERATIONS

Highlights of the Company's financial performance are as follows:

1. **Revenues and Profitability**

ACR and Subsidiaries posted consolidated revenues of ₱5,180 million in 2014, higher than the ₱ 3,344 million reported in 2013. The 55% growth was mainly due to the full year commercial operations of MPC in 2014 adding ₱2,958 of revenues. MPC was re-acquired in February 2013 and started commercial operation in September that year.

Cost of services was reported at ₱3,537 million, 79% higher than the ₱1,978 million in 2014. MPC spent ₱2,256 million for its full year fuel requirements in 2014 vis-à-vis the ₱977 million incurred for the four (4) months operations in 2013.

Nonetheless, gross profit improved by 21% in 2014 to ₱1,632 million from ₱1,345 million in 2013 due to higher revenues.
General and administrative expenses was higher in 2014 at ₱467 million from ₱363 million in 2013 due mainly to higher business taxes, a non-controllable item. In spite of this, operating profit still improved by 18% to ₱1,164 million from ₱983 million reported in previous year.

Furthermore, earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, which represented 40% of total revenues reached ₱2,088 million, 27% higher than the ₱1,640 million realized in 2013.

Meanwhile, interest income was 12% lower in 2014 at ₱22 million from ₱25 million in 2013 due mainly to the lower cash placements made during the year. In contrast, interest expense was 73% higher at ₱207 million in 2014 from ₱119 million in 2013, as a result of higher loan availments.

On the other hand, the Company realized other income of ₱109 million in 2014 versus a reported loss of ₱49 million in 2013. Last year's other losses stemmed principally from the ₱101 million equity in net loss of its investment in Indophil as well as foreign exchange losses of ₱47 million resulting from the revaluation of US Dollar-denominated liabilities of the Company.

The net income attributable to the equity holders of the parent was reported at ₱359 million, 9% lower than the ₱395 million income in 2013. As a result, basic earnings of ₱0.057 per share decreased from ₱0.063 per share in 2013.

Without the ₱146 million one-time gain arising from the disposal of Lima Land, Inc. (LLI) in 2013, current year's level was 44% better. Correspondingly, basic earnings from continuing operations of ₱0.057 per share in 2014 was higher than the 2013 level of ₱0.040 per share.

2. Financial Position

As of December 31, 2014, total resources of ACR and Subsidiaries remained robust at ₱25,725 million, increasing by 43% versus the ₱17,989 million level reported in 2013.

Current assets grew by 14%, from ₱6,841 million to ₱7,765 million. The increment came largely from the increase in SEC's cash and cash equivalents as well as higher prepaid expenses, mainly value added tax. Similarly, noncurrent assets rose by 61%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities increased by 4% in 2014, from ₱2,367 million to ₱2,462 million, largely on account of higher trades payable. Noncurrent liabilities likewise escalated by 144%, as SEC drew from its project loan to finance its capital expenditures.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.15:1 in 2014 versus the 2.89:1 level in 2013, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 0.73:1 to 1.47:1.

Meanwhile, net cash inflows from operating activities decreased by 5%, from ₱2,090 million in 2013 to ₱1,977 million in 2014, as the 2013 balance included funds realized from discontinued operations. Together with net cash inflows from financing activities amounting to ₱5,693 million, largely from loan availments, available funds totaled ₱7,670 million in 2014. On the other hand, net cash outflows used in investing activities, mainly for the construction of the SEC power plant, amounted to ₱6,552 million. Including the effect of foreign exchange rate changes, ACR's consolidated cash reached ₱2,512 million, significantly higher than the 2013 balance of ₱ 1,422 million.

Key Performance Indicators (KPI)

The Company's financial KPI for the year ended December 31, 2014 showed significant improvement compared to 2013 as follows: (Amounts in million pesos, except ratios)

Financial KPI	Definition	Calendar Year	
		2014	2013
Profitability			
Revenues		₱5,180	₱3,344
EBITDA		₱2,088	₱1,640
EBITDA Margin	EBITDA ÷ Net Sales	40%	49%
Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	7%
Net Earnings Attributable To Equity Holders		₱359	₱395
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	40%	37%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	18%	46%
Debt-To-Equity Ratio		1.47:1	0.73:1
Current Ratio	Current Assets ÷ Current Liabilities	3.15:1	2.89:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increase from ₱1,640 million to ₱2,088 million in 2014. EBITA Margin however, decreased from 49% in 2013 to 40% in 2014 due to higher revenues during the year.

Return on equity (ROE) stood at 7% for both years. Net income attributable to the equity holders of the Parent from continuing operations improved to ₱359 million from ₱249 million in 2013 as the Company's core income continue to improve.

Efficiency

The Company's operating expense ratio decreased to 37% in 2014 from 44% in 2013. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant which is a none-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 1.2x. Consequently, net debt coverage decreased to 18% from last year's 46%. Current ratio on the other hand improved to 3.15:1 from last year's 2.89:1.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR for the years ended December 31, 2014 and 2013 are presented in accordance with PFRS applied on a consistent basis.

Seasonality Aspects of the Business

The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 77% Increase

   The growth in cash and cash equivalents (2014: ₱2,512 million vs. 2013: ₱1,422 million) was principally due to receipt of the loan proceeds by Sarangani Energy that remain unused as of the end of 2014. Cash generated from operations during the year was ₱1,977 million, 5% lower than previous year's ₱2,090 million. The proceeds of loan presented in the financing activities amounting to ₱9,690 million was used to finance the on-going construction of the first phase of SEC's power plant. .

2. Short-term cash investments, 291% Increase

   Short-term cash investments increased (2014: ₱34 million vs. 2013: ₱9 million) due to funds from operating activities

3. Trade and other receivables, 7% Decrease

   With the full 2014 commercial operations of MPC, trade receivables increase (2014: ₱762 million vs. 2013: ₱610 million) generated during the year. Meanwhile, due from related parties the advances to its major shareholders decrease (2014: ₱2,945 million vs. 2013: ₱3,208 million), resulting from settlements during the year. The advances were subject to certain provisions, including interest and terms of repayment.

4. Spare parts and supplies, 18% Increase

   The build-up consisted mainly of the purchase of spare parts for MPC during the year which is reserve for contingency purposes.

5. Noncurrent portion of installments receivables, 20% Decrease

   The decrement is due to collection of maturing accounts during the year.

6. Property, plant and equipment, 101% Increase

   The growth is due mainly to expenditures incurred for the construction of the first phase of Sarangani Energy's power plant.

7. AFS financial assets, 110% Increase

The improve market values of these AFS financial assets caused the increase in values of these assets.

8. Retirement plan assets, 10% Decrease

The decrease was mainly due to retirement expense incurred during the year.

9. Accounts payable and other current liabilities, 49% Increase

The increase in payable to customers representing amount of overbilled fees collected in 2013 and 2014 by MPC, caused the increase in accounts payable and accrued expenses.

10. Loans payable, 67% Decrease

The reclassification into long-term debt of the amount availed to finance the construction of Sarangani Energy's power plant.

11. Income tax payable, 19% Increase

The higher taxable income caused the increase in income tax payable in 2014.

12. Derivative liability, 27% Decrease

The embedded derivatives arising from the exchange option of APHC-ACR Loan Facility Agreement which was assigned to its Lender Bank in accordance with the Omnibus Loan and Security Agreement. The decline in derivative liability was the result of partial prepayment of the loan during the year thereby resulting to a mark-to-market gain. The salient features of this loan were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized.

13. Current and Long-term debt, 159% Increase

The increment was due to the drawdown from the project loan facility of SEC during the year as well as the availment of a US$73.5 million loan to partly finance the repayment of an existing loan with APHC. Details of transaction is presented in Note 18 of the Financial Statements.

14. Retirement payable, 21% Decrease

The decrease was due mainly to the re-measurement of retirement benefit obligation as conducted by independent Actuary during the year.

15. Asset retirement obligation, 15% Decrease

The decline was due to the change in estimate resulting from discount rate changes. The assessment was based on best estimate of cash flows acquired to settle the obligation on an annual basis. The change in estimate resulted to a decrease in this account by ₱19 million.

Item 8. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A

.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

1. SyCip Gorres Velayo & Co. (SGV) is the Company's external auditors for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.

2. In compliance with SEC Memorandum Circular No. 8, Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2014.

3. Fees for the years ended December 31, 2015 and 2014 were ₱585,000 and ₱811,519.52 respectively. The 2014 include the audits fees for the services done on Lima Land Subsidiaries covering the period ended September 30, 2013 amounting to ₱197,022.56 and the Liquidation Report on C. Alcantara and Sons, Inc. for the period ended March 31, 2014 amounting to ₱ 123,200. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for 2015 and 2014. The fees and services were approved by the Audit Committee in compliance with the Code of Corporate Governance.

   The other fees billed by SGV pertained to:

   In 2013, SGV was engaged to conduct a tax advisory on the property to be received by way of liquidation of an associate. For this separate engagement, SGV billed the Company ₱302,400 as professional fee, inclusive of any applicable taxes.

4. There have been no disagreements with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

1. Board of Directors and Executive Officers

a. The Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the directors and officers of the Company and their business experience for the last five years:

Table V- Board of Directors

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Carlos G. Dominguez	Filipino
Director	Conrado C. Alcantara	Filipino
Independent Director	Jacinto C. Gavino, Jr.	Filipino
Independent Director	Jose Ben R. Laraya	Filipino
Director	Honorio A. Poblador III	Filipino
Independent Director	Thomas G. Aquino	Filipino

Tomas I. Alcantara, 69, Filipino, became the Chairman of the Board of Directors and the President of the Company in August 2001. He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Masters in Business Administration (MBA) from Columbia University, and he attended the Advanced Management Program of the Harvard Business School. He is presently the Chairman of the Board of Directors and President of Alsons Development & Investment Corporation and Sarangani Agricultural Company, Inc., and other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Adtx Information Systems, Inc. (since August 2001). He is a Trustee of the European IT Service Center Foundation (since August 2002) and of the Foundation for Revenue Enhancement (August 2004). He has been a Director of Holcim Philippines, Inc. since July 2003, Philweb Corporation (May 2002) and DBP-Daiwa Capital Markets Phils., Inc. (July 1995).

Mr. Alcantara served as Undersecretary for the Industry & Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation forum in 1996. He was also the Chairman of the Board of Directors and the President of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and has served as a Director of that

company since 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003 to April 2006 and Chairman of the Manila Economic & Cultural Office from March 2001 to August 2010.

Editha I. Alcantara, 67, Filipino, has served as Director of the Company since March 8, 1995. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a Director (since 1980) and the Treasurer (since October 2000) of other companies in the Alcantara Group.

She is also a Director of the Philippine Wood Producers Association (since May 16, 1980), and has served as a Trustee for the Philippine Business for the Environment, Inc. since July 1995 and as a Trustee of Miriam College since December 1998.

Tirso G. Santillan Jr., 72, Filipino, became a Director of the Company in June 11, 1996. He has also been the Executive Vice-President since April 27, 1995. He holds a Bachelor of Arts degree in Engineering and a Masters in Business Management degree from the Ateneo de Manila University.

Presently, he heads the Power Business Unit of the Alcantara Group. He has been the Executive Vice-President of Alto Power Management Corporation since January 1996, Conal Holdings Corporation since June 1997, Southern Philippines Power Corporation and Western Mindanao Power Corporation since March 1996. He is also a Director of Sarangani Agricultural Co., Inc. since May 2002.

Additionally, he has been the Managing Partner of Private Capital of Asia Ltd. since June 1991. Mr. Santillan worked with the First Pacific Group from February 1987 to May 1991.

Alejandro I. Alcantara, 61, Filipino, has served as a Director of the Company since July 2003. He graduated from the Ateneo de Davao with a degree in Economics. Mr. Alcantara has been a Director and the President of Aquasur Resources Corporation since 1993 and has served in the same capacity with Finfish Hatcheries, Inc. since 1995. He has also served as the Executive Vice President & General Manager of Sarangani Agriculture Company, Inc. since 1986 and of Alsons Aquaculture Corporation since 1998. He also became a Director of other companies in the Alcantara Group in 1986. Mr. Alcantara also served as a Director and the Treasurer of the Federation of Cattle Raisers Association of the Philippines from 1997 to December 2009.

Ramon T. Diokno, 68, Filipino, rejoined the Company as a Director in March 18, 2009. Previously, he served the Company as a Director from June 19, 2002 to June 29, 2006 and as its Chief Financial Officer from January 16, 2001 to June 30, 2006. He holds an Economics and Accountancy degree from the De La Salle University and a Masters of Science in Management degree from the Massachusetts Institute of Technology.

Mr. Diokno is also the Chief Financial Officer of Lepanto Consolidated Mining Co and its wholly-owned subsidiaries. He is currently also a Director of Alsons Insurance Brokers Corporation.

Carlos G. Dominguez, 70, Filipino, has served as Director of the Company since March 8, 1995. He holds an Economics degree and an MBA from the Ateneo de Manila University. He also attended the Executive Program at the Stanford University. Currently, he is the President of Retail Specialist, Inc. (1991), Philippine Tobacco Flue-Curing and Redrying Corporation, Baesa Redevelopment Corporation, Halifax Capital Resources, Inc. (1992), C.G. Dominguez and Associates, Inc., Huntly Corporation (1993) and Linden Suites, Inc. (1997). He is also a Director of RCBC Capital Corporation (1994), the Chairman of Philippine Eagle Foundation (2001) and a member of the Board of Trustees of the Ninoy and Cory Aquino Foundation (1995).

Mr. Dominguez also serves as Director of United Paragon Mining Corporation (since 1993), Transnational Diversified Corporation (1999), Alip River Development and Export Corporation (2000) and Diamond Star Agro Products, Inc. (2007).

He served as the Minister of Natural Resources during the Corazon C. Aquino Administration from 1986 to 1987 and as Secretary of Agriculture from 1987 to 1989. He was Chairman of the Board of Directors of Republic Planters Bank from 1987 to 1992, Chairman of the Board of Directors and the President of Philippine Airlines from 1993 to 1995, Chairman of the Board of Directors of RCBC Capital Corporation from July 1994 to May 2002, Chairman of the Board of Directors and the President of the Philippine Associated Smelting and Refining Corporation from 1999 to 2002, a Director of the Manila Electric Company from 2001 to July 2003, a Director of Roxas Holdings, Inc. from 1997 to May 2009, a Director of iPVG Corporation from October 2004 to June 2008 and President of Lafayette Philippines, Inc. from January 2006 to April 2008.

Conrado C. Alcantara, 43, Filipino, has served as Director of the Company since November 2010. He graduated from the Boston University with a degree in Political Science and attended a Post Baccalaureate Program in Management at Harvard University. He presently serves as a Director and President of Infinicor, Inc. He also became a Director of C. Alcantara & Sons, Inc. in July 2006 and of Alsons Land Corporation in July 2009.

Jacinto C. Gavino, Jr., 66, Filipino, has served as Independent Director of the Company since May 2005. He has been a full-time Faculty of the Asian Institute of Management (AIM) since 1990 and he presently holds the Fr. James F. Donelan, SJ, Professorial Chair in Business Ethics. He is on the core faculty of the Washington SyCip Graduate School of Business (WSGSB). He was also the Associate Dean of the Master in Management Program from 1993 to 1995, and Associate Dean for Research from 1995 to 1999.

He is currently a Director of Productronica Holdings, Inc. (2003), Aurotech Corporation (2000), Green Chemicals Corporation (2006), RNuable Energy Corporation (2011) and Sarangani Agricultural Co., Inc. (2005). He also serves as a Trustee of Fundacion Santiago (2002) and the Center for Family Ministries at the Loyola School of Theology (2006). He also does consultancy work for various businesses and non-profit organizations.

Professor Gavino holds a Bachelor of Science degree in Electrical Engineering from the University of the Philippines (1971), a Master in Business Administration degree from the Ateneo de Manila University (1984), and a Doctorate in Public Administration from the University of the Philippines (1993). He also taught in the Ateneo de Manila University, Maryknoll College, and the University of the Philippines.

Jose Ben R. Laraya, 76, Filipino, has served as Independent Director of the Company since March 1995. He holds a Commerce degree from De La Salle College and an MBA from the University of the Philippines. He also attended the Advanced Management Program at Harvard Business School. Currently, he serves as Chairman of the Board of Directors of Ultrex Management & Investments Corporation (1992) and Laraya Holdings, Inc. (2007). He also serves as President of Trully Natural Food Corporation (2004), and a Director of La Frutera, Inc. (1997).

Previously, he served as Vice-Chairman of Philcom Corporation from October 1996 to February 1999, President of National Steel Corporation from September 1980 to February 1989, Dole Asia from February 1989 to June 1992, and APC Group, Inc. from September 1995 to February 1999.

Honorio A. Poblador III, 70, Filipino, has served as a Director of the Company since March 8, 1995. He holds a Political Science degree from the Ateneo de Manila University. Currently, he serves as Chairman of the Board of Directors of Asuncion Realty Corporation (since 1995), Chairman of the Board of Directors and President of Asmaco, Inc. and President of Asian Aesthetic Excellence, Inc. and Mayriad Human Resources and Services, Inc.

He is also a Director of Philippine Communications Satellite Corporation, Philippine Overseas Telecommunications Corporation, and Elnor Investment Corp. (since 1983), Philcomsat Holdings Corporation (1998), the Philodrill Corporation (1997), F & C Realty Corporation and POB Corporation (2003).

Dr. Thomas G. Aquino, 67, Filipino, became an Independent Director of the Company in May 20, 2011. He is a Senior Fellow at the Center for Research and Communication of the University of Asia and the Pacific (UA&P). He was formerly the Senior Undersecretary of Philippine Department of Trade and Industry. He supervised the country's foreign trade promotions, trade negotiations under World Trade Organization & the ASEAN Free Trade Agreements as well as bilateral trade talks with the country's major economic trading nations. He served as overall lead negotiator for the country's fist free trade agreement, namely the Philippines-Japan Economic Partnership Agreement and was country representative to the High Level Task Force on ASEAN Economic Integration. For public service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was receipient of the Gawad Mabini Award with the rank of Grand Cross (or Dakilang Kamanong) for distinguished service to the country both at home and abroad by the President of the Republic of the Philippines.

Before entring public service, Dr. Aquino held important roles in the fields of economics and business in the private sector as Vice President for Business Economics and Director of the Strategic Business Economics Program of UA&P. He returned to private practice as strategy consultant to companies and economic policy adviser to government entities. He is the Chairman of NOW Corporation and Independent Director of A Brown Company, both publicly listed at the Philippine Stock Exchange. He obtained his Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

He obtained a Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

b. The Executive Officers

The following Company executive officers do not own more than 2% of ACR:

Table VI – Executive Officers

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Chief Financial Officer	Luis R. Ymson, Jr.	Filipino
Corporate Secretary	Roberto V. San Jose	Filipino
Assistant Corporate Secretary	Angel M. Esguerra III	Filipino

Luis R. Ymson, Jr., 62, Filipino, has been the Chief Financial Officer of the Company since June 30, 2006. He is also Chief Financial Officer of the Alcantara Group since June 5, 2006. He holds a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University, and pursued an MBA degree from the same university.

He has extensive investment banking experience from his previous employment with Allied Banking Corporation and UBP Capital Corporation from 1992 to 1996 and First Metro Investment Corporation and Metropolitan Bank & Trust Co. from 1996 to 2001. He previously served as Chief Finance Officer of The Philippine Daily Inquirer and Director/President of its affiliate, Newspaper Paraphernalia, Inc. until 2004.

Roberto V. San Jose, 74, Filipino, has been the Corporate Secretary of the Company since June 1991. He received his Bachelor of Arts degree from De La Salle University and his law degree from the University of the Philippines. He is a member of the Philippine Bar and a Consultant of the Castillo Laman Tan Pantaleon and San Jose Law Offices. In addition to serving as Corporate Secretary for the Company, he serves as Director, Officer and/or Corporate Secretary of Anglo Philippine Holdings Corp., CP Equities Corporation, Atlas Resources Management Group, MAA Consultants, Inc. and several other companies. He is also the Corporate Secretary of Premiere Horizon Alliance Corporation, Marc Ventures Holdings, Inc,, Solid Group Inc., United Paragon Mining Corporation, FMF Development Corporation, Beneficial Life Insurance Co., Inc., The Metropolitan Club, Inc., and other client corporations of the Castillo Laman Tan Pantaleon and San Jose Law Firm.

Angel M. Esguerra III, 54, Filipino, was appointed as the Assistant Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

2. Family Relationship of Directors and Officers

Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara and Ms. Editha I. Alcantara are siblings, while Mr. Conrado C. Alcantara is their nephew.

3. Independent Directors

The following are the Company's independent directors. They are neither officers nor substantial shareholders of ACR:

a. Jacinto C. Gavino, Jr.
b. Jose Ben R. Laraya
c. Thomas G. Aquino

4. Warrants and Options Outstanding

There are no warrants or options granted by the Company to any of its Directors or executive Officers.

5. Pending Legal Proceedings

None of the directors and officers was involved in any bankruptcy proceedings as of March 31, 2016 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

6. Significant employees

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

7. Legal Proceedings where Property is the Subject

There are no material pending legal proceedings to which the Company or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

Item 11. EXECUTIVE COMPENSATION

A director's compensation represents a per diem of ₱30,000 for every Board of Directors' meeting and ₱15,000 for every Executive Committee meeting and Audit Committee meeting.

Sections 9 and 10 of the Amended By-laws which pertain to compensation and other arrangements with the Directors read:

> Section 9. Compensation of Directors. Each director shall receive, for his services as Director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him provided, that nothing herein

contained shall be construed to preclude any director from serving the company in any other capacity and receiving such compensation therefore as may be fixed from time to time by the Board of Directors.

Section 10. Profit Sharing. The Board of Directors shall be authorized and empowered to pay or distribute to the members of the Board of Directors and the Executive Committee, and the officers of the Corporation, amounts of up to five percent (5%) of the net income before tax in each year, to be allocated at its discretion. If the income arises from the consolidation, or equity accounting of earnings of subsidiaries or affiliates, the computation of net income subject to profit sharing, shall be based on the cash or property dividends declared and actually received by the Company during the year.

The aggregate amounts paid by the Company to its directors and executive officers as a group were ₱ 3,210,000 and ₱3,145,000 for the years 2015 and 2014, and ₱2,400,000 in 2013, respectively. For 2016, the Company estimates that it will pay an aggregate amount of ₱3,780,000 as compensation to its directors and executive officers.

Table VII - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Tomas I. Alcantara Chairman and President	2016est 2015 2014 2013	₱ - - -	₱ - - -	₱315,000 285,000 310,000 240,000
2. Editha I. Alcantara Director & Treasurer	2016est 2015 2014 2013	- - -	- - -	420,000 255,000 345,000 315,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	2016est 2015 2014 2013	- - -	- - -	420,000 375,000 405,000 270,000
4. Jose Ben R. Laraya Director	2016est 2015 2014 2013	- - -	- - -	420,000 345,000 405,000 330,000
5. Ramon T. Diokno Director	2016est. 2015 2014 2013	- - -	- - -	315,000 300,000 270,000 210,000
All other Officers and Directors as a group unnamed	2016est. 2015 2014 2013	- - -	- - -	1,890,000 1,650,000 1,410,000 1,035,000

Other Annual Compensation received from ACR represents per diems given for every attendance in a Board, an Executive Committee (Excom) meeting or an Audit Committee meeting. The disclosure on the compensation of Key Management Personnel is presented in Note 21 of the audited consolidated financial statements.

The Company and the executive officers are not involved in any of the following transactions:

1. Standard arrangement and any material arrangements;
2. Employment contract (between the registrant and named executive officers);
3. Compensatory plan or arrangement;
4. Outstanding warrants or options;
5. Adjustments or amendments on the stock warrants or options.

The members of the Compensation Committee of the Company are as follows:

Position	Name
Chairman	Tomas I. Alcantara
Member	Honorio A. Poblador III
Member (Independent Director)	Jose Ben R. Laraya
Member	Tirso G. Santillan, Jr.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

The above named executive officers of the company are not employees of ACR and are not covered by any existing employment contracts. They only receive per diem if they attend a Board meeting, an Executive Committee meeting, and/or an Audit Committee meeting.

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the directors or executive officers of the Company.

Item 12. SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2015, Alsons Consolidated Resources, Inc. knows of no one who beneficially owns in excess of 5% of its common stock except as set forth in the following table:

Table VIII - Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of Shares Held	Percentage
Common	Alsons Corporation[1] (AC) Alsons Bldg., 2286 Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation[4]	Filipino	2,592,524,072	41.21%
Common	Alsons Power Holdings Corp[1]. (APHC) Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	Alsons Power Holdings Corporation[2]	Filipino	1,249,999,600	19.87%
Common	Alsons Development & Investment Corp[1]. (ADIC) 329 Bonifacio St., Davao City	Affiliate	Alsons Development and Investment Corporation[2]	Filipino	1,188,524,026	18.89%
Common	PCD Nominee Corporation[3] (Fil) MSE Bldg., Ayala Ave., Makati City	None	Various[4]	Filipino	1,149,018,577	18.26%

2. Security Ownership of Management

The following table shows the securities beneficially owned by all directors, nominees and executive officers of ACR as of December 31, 2015:

Table IX - Security Ownership of Management
Directors:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	r	0.00%
Common	Editha I. Alcantara	100,000	Filipino	r	0.00%
Common	Alejandro I. Alcantara	1	Filipino	r	0.00%
Common	Jacinto C. Gavino, Jr.	1	Filipino	r	0.00%
Common	Ramon T. Diokno	1	Filipino	r	0.00%
Common	Carlos G. Dominguez	100	Filipino	r	0.00%
Common	Jose Ben R. Laraya	100	Filipino	r	0.00%
Common	Conrado C. Alcantara	1	Filipino	r	0.00%
Common	Honorio A. Poblador III	100	Filipino	r	0.00%
Common	Thomas G. Aquino	100	Filipino	r	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	r	0.00%
	Total	100,406			0.00%

[1] The President and CEO of the Corporation, Tomas I. Alcantara, is the Chairman of the Board of Directors of the Company.
[2] The respective Boards of Directors of each of AC, APHC and ADIC has power to decide how the shares are to be voted.
[3] The PCD Nominee Corporation is not related to the Company.
[4] There are no holders of more than 5% of common stock under PCD. The clients of the various PCD participants have the power to decide how the Company's shares are to be voted.

Officers:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	R	0.00%
Common	Editha I. Alcantara	100,000	Filipino	R	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	R	0.00%
Common	Roberto V. San Jose	500,000	Filipino	R	0.00%
Total		600,002			0.00%

3. Voting Trust Holder of 5% or More

No person holds five percent (5%) or more of the issued and outstanding shares of stock of the Company under voting trust or similar agreement.

4. Changes in Control

There are no arrangements which may result in a change in control of the registrant.

Item 13. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

During the last three (3) years, the Company was not a party in any transaction in which a Director or Executive Officer of the Company, any nominee for election as a Director, or any security holder owning more than 5% of any class of the Company's issued and outstanding shares and/or his/her immediate family member had a material interest thereon.

In the normal conduct of business, the following are among the other transactions with its affiliates and related parties disclosed in the audited financial statements under Notes 17 (Loans Payable), 18 Long-term Debt) and 21 (Related Party):

- In October 2015, the Company subscribed to 22 million redeemable preferred shares of Alsons Development and Investment Corporation (Aldevinco), A shareholder, through a conversion of its' advances to Aldevinco amounting to ₱2.2 billion. The redeemable preferred shares have a par value of ₱100 per share with cumulative dividend of 4% per annum and non-participating. The Parent Company accounts for its investment in redeemable preferred shares as part of AFS investment in the Financial Statements.

- On December 27, 2011, the Company acquired 72% of the outstanding shares of C. Alcantara and Sons, Inc. (CASI) from Aldevinco, for a total consideration of 1,226 million represents the market value of Lanang Landholdings of CASI as determined by an independent third party appraiser.

  In 2014, CASI obtained its Tax Clearance from the Bureau of Internal Revenue and approval of SEC for its liquidation effective March 31, 2014. As a result, ACR received the Lanang property of CASI as liquidating dividend amounting to ₱1,226 million.

- On March 21, 2013, Aldevinco and ACIL (collectively referred to as AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana Development Corporation (ADC) shall undertake the development of the Lanang property in

Davao. On September 17, 2013, ADC was incorporated as JVC. ACR has subscribed 296 preferred shares and 32 common shares for 34% ownership in ADC.

There were no transactions to which the Company was a party during the past two (2) fiscal years where a director, executive officer, nominee for director, or stockholder owning more than 10% of the outstanding shares of the Company had a direct interest.

The Company retains the law firm of Castillo Laman Pantaleon and San Jose Law Offices for legal services, where Atty. Roberto V. San Jose is a Consultant. During the last two fiscal years, ACR paid ₱1,557,560 and ₱472,830 in 2015 and 2014, respectively. Included in the amount paid in 2015 amounting to ₱1,197,560 pertains to legal advisory services on the Fixed-rate Corporate Note facility documentation and review. The Company believes that the legal fees are reasonable for the services rendered.

List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent, if any.

With the Company's issuance of the voting preferred shares, the Company's ultimate parent company is Alsons Corporation or AC, which owns 68.63% of all the common and the preferred shares. The Company's outstanding common shares, which are all listed in the Philippine Stock Exchange, are owned and controlled by the following Companies: Alsons Corporation - 41.21%; Alsons Power Holdings Corporation - 19.87%; and Alsons Development & Investment Corporation - 18.89%.

PART IV – CORPORATE GOVERNANCE

Item 14. CORPORATE GOVERNANCE

In compliance with the directive of the Securities and Exchange Commission and in view of the ASEAN Corporate Governance Scorecard Assessment, please refer to the attached ACGR.

PART V - EXHIBITS AND SCHEDULES

Item 15. EXHIBITS AND REPORTS

15.1 Consolidated Financial Statements
The Audited Consolidated Financial Statements for the years ended December 31, 2015 and 2014 are attached as Exhibit 1:

- Management's Responsibility to the Financial Statements
- Independent Auditors' Report
- Consolidated Balance Sheets December 31, 2015 and 2014
- Consolidated Statements of Income for the three years ended December 31, 2015, 2014 and 2013
- Consolidated Statements of Comprehensive Income for the three years ended December 31, 2015, 2014 and 2013
- Consolidated Statements of Cash Flows for the three years ended December 31, 2015, 2014 and 2013.
- Notes to Consolidated Financial Statements

15.2 Supplementary Schedules
Independent Auditors' Report on Supplementary Schedules SRC Annex 68-E Schedules

A. Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
D. Intangible Assets - Other Assets
E. Long-term Debt
F. Indebtedness to Related Parties
G. Guarantees of Securities of Other Issuers
H. Capital Stock

Reconciliation of Retained Earnings for Dividend Declaration
Conglomerate Map
Tabular Schedule of All Effective Standards and Interpretations under the PFRS as at Reporting Period

15.3 Reports on SEC Form 17-C

- Report on SEC Form 17-C filed during the year ended December 31, 2014 is attached together with this report and presented in Exhibit 6:

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on APR 1 1 2016

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the date indicated.

By:

Tomas I. Alcantara Chairman and President	Date: 4/5/16
Tirso G. Santillan, Jr. Executive Vice-President and Chief Operating Officer	Date: 4/11/16
Luis R. Ymson Jr. Chief Financial Officer	Date: 4/7/16
Roberto V. San Jose Corporate Secretary	Date: 4/11/16

SUBSCRIBED AND SWORN to before me this APR 1 1 2016 day of _____ affiants exhibiting to me their Identifications, as follows:

NAMES	IDENTIFICATION NO.	DATE & PLACE OF ISSUE
Tomas I. Alcantara	PP#EB8610644	07-09-13 / DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	02-13-15 / LTO QC
Luis R. Ymson Jr.	PP#EC4476947	06-23-15 / DFA NCR South
Roberto V. San Jose	PP#EB6079962	08-03-12 / DFA Manila

Doc No. 350
Page No. 79
Book No. II
Series of 2016

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA III
Commission No. M-234
Notary Public for Makati City, Until December 31, 2017
Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
PTR OR No. 5330716; 01/08/16; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

ALSONS CONSOLIDATED RESOURCES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7

	Exhibit No.
Consolidated Financial Statements	**Exhibit 1**
Statement of Management's Responsibility	
Report of Independent Public Accountants	
Consolidated Balance Sheets as of December 31, 2015, 2014 and 2013	
Consolidated Statements of Income for the three years ended December 31, 2015, 2014 and 2013	
Consolidated Statements of Comprehensive Income for the three Years ended December 31, 2015, 2014 and 2013	
Consolidated Statements of Cash Flows for the three years ended December 31, 2015, 2014 and 2013	
Notes to Consolidated Financial Statements	
Supplementary Schedules	**Exhibit 2**
Independent Auditors' Report on Supplementary Schedules	
SRC Annex 68-E Schedules	
A. Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)	
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders	
C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements	
D. Intangible Assets - Other Assets	
E. Long-term Debt	
F. Indebtedness to Related Parties	
G. Guarantees of Securities of Other Issuers	
H. Capital Stock	
Reconciliation of Retained Earnings for Dividend Declaration	
Conglomerate Map	
Tabular Schedule of All Effective Standards and Interpretations under the PFRS as at Reporting Period	

INDEX TO EXHIBITS

Form 17-A

	Page No.
Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
Instruments Defining the Rights of Security Holders, Including Indentures	**
Voting Trust Agreement	*
Material Contracts	**
Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
Letter re: Change in Certifying Accountant	*
Report Furnished to Security Holders	*
Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consent of Experts and Independent Counsel	*
Power of Attorney	*

---

* These Exhibits are either not applicable to the Company or require no answer.
** There were no changes or additions to those already provided in our SEC Form 11-A and in our succeeding filing.

Annual Corporate Governance Report for 2015

101112016000546

SECURITIES AND EXCHANGE COMMISSION

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Jojit Licudine
Receiving Branch : SEC Head Office
Receipt Date and Time : January 11, 2016 11:12:28 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000059366
Company Name	ALSONS CONSOLIDATED RESOURCES INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	101112016000546
Document Type	LETTER/MISC
Document Code	LTR
Period Covered	December 31, 2015
No. of Days Late	0
Department	CED/CFD/CRMD/MRD/NTD
Remarks	ACGR/WITH LETTER

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

08 January 2016

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporate Governance and Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Subject : **Annual Corporate Governance Report (ACGR)**
Consolidated Changes for the Calendar Year 2015

Gentlemen:

We hereby respectfully submit the Consolidated Changes in the Annual Corporate Governance Report ("ACGR") of Alsons Consolidated Resources, Inc. for 2015.

Very truly yours,

ATTY. ANGEL M. ESGUERRA, III
Assistant Corporate Secretary

LUIS R. YMSON, JR.
Compliance Officer and Chief Financial Officer

SECURITIES AND EXHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year Consolidated Changes in the ACGR for 2015

2. Exact Name of Registrant as Specified in its Charter ALSONS CONSOLIDATED RESOURCES, INC.

3. Alsons Building, 2286 Chino Roces Avenue, Makati City, Philippines — Address of Principal Office; 1231 — Postal Code

4. SEC Identification Number 59366

5. (SEC Use Only) Industry Classification Code

6. BIR Tax Identification Number 001-748-412

7. (632) 982-3000 — Issuer's Telephone, including area code

8. N/A — Former name of former address, if changed from the last report

TABLE OF CONTENTS

		Page No.
A.	**BOARD MATTERS**	
1)	BOARD OF DIRECTORS	4
	(a) Composition of the Board	4
	(b) Summary of Corporate Governance Policy	4
	(c) Review of Vision and Mision	5
	(d) Directorship in Other Companies	5
	(e) Shareholding in the Company	7
2)	CHAIRMAN AND CEO	7
3)	CEO SUCCESSION	8
4)	OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS	9
5)	CHANGES IN THE BOARD OF DIRECTORS	9
6)	ORIENTATION AND EDUCATION PROGRAM	11
B.	**CODE OF BUSINESS CONDUCT & ETHICS**	
1)	POLICIES	12
2)	DISSEMINATION OF CODE	14
3)	COMPLIANCE WITH CODE	14
4)	RELATED PARTY TRANSACTIONS	14
	(a) Policies and Procedures	14
	(b) Conflict of Interest	15
5)	FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS	16
6)	ALTERNATIVE DISPUTE RESOLUTION	16
C.	**BOARD MEETINGS & ATTENDANCE**	
1)	SCHEDULE OF MEETINGS	16
2)	DETAILS OF ATTENDANCE OF DIRECTORS	16
3)	SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS	17
4)	ACCESS TO INFORMATION	17
5)	EXTERNAL ADVICE	18
6)	CHANGES IN EXISTING POLICIES	18
D.	**REMUNERATION MATTERS**	
1)	REMUNERATION PROCESS	18
2)	REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS	19
3)	AGGREGATE REMUNERATION	20
4)	STOCK RIGHTS, OPTIONS AND WARRANTS	20
5)	REMUNERATION OF MANAGEMENT	20
E.	**BOARD COMMITTEES**	
1)	NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES	20
2)	COMMITTEE MEMBERS	22
3)	CHANGES IN COMMITTEE MEMBERS	23
4)	WORK DONE AND ISSUES ADDRESSED	23
5)	COMMITTEE PROGRAM	24
F.	**RISK MANAGEMENT SYSTEM**	
1)	STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM	25
2)	RISK POLICY	25
3)	CONTROL SYSTEM	27

TABLE OF CONTENTS

		Page No.
G.	**INTERNAL AUDIT AND CONTROL**	
1)	STATEMENT OF EFFECTIVENESS OF INTERNAL CONTROL SYSTEM	28
2)	INTERNAL AUDIT	
	(a) Role, Scope and Internal Audit Function	28
	(b) Appointment/Removal of Internal Auditor	29
	(c) Reporting Relationship with the Audit Committee	29
	(d) Resignation, Re-assignment and Reasons	29
	(e) Progres against Plans, Issues, Findings and Examination Trends	29
	(f) Audit Control Policies and Procedures	30
	(g) Mechanisms and Safeguards	30
H.	**ROLE OF STAKEHOLDERS**	
1)	POLICIES AND ACTIVITIES	31
2)	CORPORATE RESPONSIBILITY	32
3)	EMPLOYEE PARTICIPATION MECHANISM	32
4)	HANDLING EMPLOYEE COMPLAINTS	32
I.	**DISCLOSURE AND TRANSPARENCY**	
1)	OWNERSHIP STRUCTURE	32
2)	ANNUAL REPORT DISCLOSURE	33
3)	EXTERNAL AUDITORS' FEE	33
4)	MEDIUM OF COMMUNICATION	33
5)	AUDITED FINANCIAL REPORT SUBMISSION	34
6)	COMPANY WEBSITE	34
7)	DISCLOSURE OF RPT	34
J.	**RIGHTS OF STOCKHOLDERS**	
1)	RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS	34
2)	TREATMENT OF MINORITY STOCKHOLDERS	35
K.	**INVESTORS RELATIONS PROGRAM**	41
L.	**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**	42
M.	**BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**	43
N.	**INTERNAL BREACHES AND SANCTIONS**	44
O.	**SIGNATURE PAGE**	45

A. BOARD MATTERS

1. Board of Directors

Number of Directors per Articles of Incorporation	11

Actual number of Directors for the year	11

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)[1]	Elected when (Annual, Special Meeting)	No. of years served as director
1. Tomas I. Alcantara	ED	N.A.	Nomination Committee	AUG 2001	22 MAY 2015	ASM	14
2. Editha I. Alcantara	ED	N.A.	Nomination Committee	MAR 1995	22 MAY 2015	ASM	20
3. Tirso G. Santillan, Jr.	ED	N.A.	Nomination Committee	JUNE 1996	22 MAY 2015	ASM	19
4. Alejandro I. Alcantara	NED	N.A.	Nomination Committee	JULY 2003	22 MAY 2015	ASM	12
5. Ramon T. Dickno	NED	N.A.	Nomination Committee	MAR 2009	22 MAY 2015	ASM	6
6. Carlos G. Dominguez	NED	N.A.	Nomination Committee	MAR 1995	22 MAY 2015	ASM	20
7. Conrado C. Alcantara	NED	N.A.	Nomination Committee	NOV 2010	22 MAY 2015	ASM	5
8. Honorio A. Poblador III	NED	N.A.	Nomination Committee	MAR 1995	22 MAY 2015	ASM	20
9. Jose Ben R. Lerava	ID	N.A.	Nomination Committee	MAR 1995	22 MAY 2015	ASM	20
10. Jacinto C. Gavino, Jr.	ID	N.A.	Nomination Committee	MAY 2005	22 MAY 2015	ASM	10
11. Thomas G. Aquino	ID	N.A.	Nomination Committee	MAY 2011	22 MAY 2015	ASM	4

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclose duties, and board responsibilities.

The latest revised Corporate Governance Manual was approved by the Board of Directors last 31 July 2014. The manual was also submitted to the PSE/SEC and posted in the Company's website. The revised Manual incorporates provisions from SEC Memorandum Circular No. 9, Series of 2014 amending SEC's Revised Manual on Corporate Governance to include references to stakeholders.

[1] Reckoned from the election as of the Annual Stockholders' Meeting (ASM) held on 22 May 2015.

)

The Board of Directors, management, employees and shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors respects the rights of the stockholders, particularly, the right to vote on all matters that require their consent or approval, right to inspect corporate books and records, the right to information, the right to dividends and appraisal right. All stockholders are encouraged to personally attend the meetings. Although all stockholders are treated equally and without discrimination, minority stockholders may request in writing the holding of meetings and the particular items that they want to be taken up in the agenda relating to a legitimate purpose and business of the Company subject to the requirements of the By-Laws.

To ensure a high standard of best practice for the Company, the Board should conduct itself with honesty and integrity in the performance of its duties characterized by transparency, accountability and fairness. Included in its duties and functions are:

1.) *Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for management.*
2.) *Establish and maintain an investor relations program that will keep the shareholders and other stakeholders informed of important developments in the Company.*
3.) *Identify the sectors in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.*
4.) *Adopt a system of check and balance within the board of directors. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times.*

As a commitment to the standards of full Disclosure and Transparency as contained in the Revised Manual of Corporate Governance of the Company, the Board shall therefore commit at all times to full disclose of material information dealings, it shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submission to the Commission for the interest of its stockholders and other stakeholders.

(c) How often does the Board review and approve the vision and mission?

The board formulates the Company's vision, mission, strategic objectives, policies and procedures and reviews, updates and approves as changes occur.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[2]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	Southern Philippines Power Corporation	ED-Chairman
	Western Mindanao Power Corporation	ED-Chairman
	Alto Power Holdings, Inc.	ED-Chairman
	Aising Power Holdings, Inc.	ED-Chairman
	Conal Holdings Corporations	ED-Chairman
	Sarangani Energy Corporation	ED-Chairman
	San Ramon Power, Inc.	ED-Chairman
	Alsons Energy Development Corporation	ED-Chairman
	Kamanga Agro-Industrial Ecozone Development Corp.	ED-Chairman
	Aces Technical Services Corporation	ED-Chairman
	Alsons Land Corporation	ED-Chairman

[2]The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

	ACR Mining Corporation Market Developers, Inc. (MADE) Eagle Ridge Golf & Country Club, Inc. Alsons Renewable Energy Corporation	ED-Chairman ED-Chairman ED-Chairman ED-Chairman
Editha I. Alcantara	Southern Philippines Power Corporation Western Mindanao Power Corporation Alto Power Holdings, Inc. Aising Power Holdings, Inc. Consal Holdings Corporations Serangani Energy Corporation San Ramon Power, Inc. Alsons Energy Development Corporation Kamanga Agro-Industrial Ecozone Development Corp. Aces Technical Services Corporation Alsons Land Corporation ACR Mining Corporation Market Developers, Inc. (MADE) Eagle Ridge Golf & Country Club, Inc.	ED ED ED ED ED ED ED ED ED ED ED ED ED ED
Tirso G. Santillan, Jr.	Serangani Energy Corporation San Ramon Power, Inc. Mapalad Power Corporation Alsons Energy Development Corporation Kamanga Agro-Industrial Ecozone Development Corp. Siguil Hydro Power Corporation Kalaong Hydro Power Corporation Aces Technical Services Corporation A/S Power Development Inc. ACR Mining Corporation Market Developers, Inc. (MADE) Alsons Renewable Energy Corporation	ED ED ED-Chairman ED ED ED-Chairman ED-Chairman ED ED ED ED ED
Alejandro I. Alcantara	Alsons Land Corporation Market Developers, Inc. (MADE)	NED NED
Conrado C. Alcantara	Alsons Land Corporation Market Developers, Inc. (MADE)	NED NED

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	*Holcim Philippines, Inc.* *Philweb Corporation* *Philippine Bank of Communications*	*NED* *ID* *ID*
Carlos G. Dominguez	*Phil. Tobacco Flue-Curing and Redrying Corp.* *United Paragon Mining Corporation*	*ED* *NED*
Thomas G. Aquino	*NOW Corporation* *A Brown Company*	*ED* *NED*

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Tomas I. Alcantara	*Alsons Corporation (ALCORP), Alsons Power Holdings Corporation (APHC), and Alsons Development and Investment Corporation (ALDEVINCO)*	*Chairman, Director and President of Significant Shareholders.*
Editha I. Alcantra	*ALCORP, APHC and ALDEVINCO*	*Director and Treasurer of Significant Shareholders.*
Alejandro I. Alcantara	*ALCORP, APHC and ALDEVINCO*	*Director of Significant Shareholders*

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Company has not imposed any limit on the number of board seats of its directors in other companies but it may consider the adoption of such guidelines taking into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

(e) Shareholding in the Company

Complete following table on the numbers of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
1. *Tomas I. Alcantara*	*1*	-	*0.00%*
2. *Editha I. Alcantara*	*100,000*	-	*0.00%*
3. *Tirso G. Santillan, Jr.*	*1*	-	*0.00%*
4. *Alejandro I. Alcantara*	*1*	-	*0.00%*
5. *Ramon T. Diokno*	*1*	-	*0.00%*
6. *Carlos G. Dominguez*	*100*	-	*0.00%*
7. *Conrado C. Alcantara*	*1*	-	*0.00%*
8. *Honorio A. Poblador III*	*100*	-	*0.00%*
9. *Jose Ben R. Lareya*	*100*	-	*0.00%*
10. *Jacinto C. Gaviola, Jr.*	*1*	-	*0.00%*
11. *Thomas G. Aquino*	*100*	-	*0.00%*
Total 11			

2) Chairman & CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes [ ] No [/]

Identify the Chairman and CEO:

Chairman of the Board	Mr. Tomas I. Alcantara
CEO/President	Mr. Tomas I. Alcantara

The CEO of the Company who also assumes the role of the Chairman of the Board holds only one vote. Generally, the Board is the governing body of the Company, and all corporate acts are approved by the Board of Directors. The Board has constituted Nomination, Compensation, Executive and Audit Committees to ensure that there are adequate checks and balances in the Corporate Governance structure of the Company and an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman/CEO.

Definition	Chairman	Chief Executive Officer
Role	*The Chairman of the Board shall preside over all meetings, whether regular or special of the Board of Directors and shall likewise preside over all meetings of stockholders. He shall have such other powers and duties as may be assigned to him by the Board of Directors.*	*The President shall be the Chief Executive Officer of the Company and shall have general mangement and supervision of the business affairs and property of the Company. He shall have the power to enter into contracts and arrangements for and in behalf of the Company and to employ, appoint and remove officers and employees of the Company. He shall see to it that all orders and resolutions of the Board of Directors are carried into effect. The President shall submit to the stockholders at each annual meeting, a complete report of the operations of the Company for the preceeding year, and the state of its affairs, and he shall from time to time report to the Board of Directors all matters within his knowledge which the interests of the Company may require to be brough to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors..*
Accountabilities		
Deliverables	*Further, the Chairman of the Board also: (a) Ensures that the meetings of the board are held in accordance with the By-Laws; (b) Supervises the preparation of the agenda of the eeting in coordination with the Corporte Secretary, taking into consideration the suggestions of management, the directors and other stockholders; (c) Maintains qualitative and timely lines of communication and information between the Board and management.*	

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors through its Nomination Committee, review and evaluate the qualifications of all persons nominated to the Board and other appointments, which includes CEO/President and the top key management positions that require Board approval and to assess the effectiveness of the Board's processes and procedures in the election or replacement of such.
(Revised Manual of Corporate Governance, page 12, Item II-e, Nomination Committee)

Part of the duties of the Board is to appoint competent, professional, honest and highly motivated management officers and to do this, management has adopted an effective Succession Planning Program.

The program includes the promotion and hiring decisions when filling key positions that become vacant and the specific development activities for each candidate, identified as "ready or nearly ready now" to asume the position in case of vacancy. While not completely closing the doors to external candidates, priority is given to internal applicants. Each incumbent in an identified succession position is responsible for nominating candidates to be included in the succession pool and in identifying the specific development plan to prepare the successor.

Specific to the CEO/President, the major qualities identified are integrity, maturity, energy, business acumen, leadership acumen, organizational skills, intellectual capacity, glovel mindset, superior judgment, insatiable appetite for accomplishment and results and powerful motivation to grow and convert learning into practice.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

It is the policy of the Company that the membership of the Board shall be a combination of executive and non-executive directors, including independent directors, in order that no director or small group of directors can dominate the decision-making process.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

It is the policy of the Company that chosen non-executive directors possess the qualifications and stature that will enable them to effectively participate in the deliberations of the Board.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors: *(Revised Manual on Corporate Governance, pages 3-4 and pages 8-9)*

	Executive/Non-Executive/Independent Director
Role	*The Board of Directors is the governing body elected by the stockholders to exercise the corporate powers of the Company, conduct its business and control its properties*
Accountabilities	*A Director should observe the following norms of conduct:* *a) Conduct fair business transaction with the Company and ensure that personal interest does not conflict with the interests of the Company.* *b) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.* *d) Act judiciously and carefully evaluate the issues, make inquiries and request clarification.* *d) Exercise independent judgment* *e) Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporations and By-Laws, the rules and regulations of the Commission, and, where applicable, the requirements of relevant regulatory agencies as well as developments in the industry.* *f) Observe confidentiality*
Deliverables	*Direct the Company towards sustained progress*

Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Company defines independence as a state or quality possessed by the respective individuals, which refers to the avoidance of being unduly influenced by a vested interest and to being free from any constraints that would prevent a correct course of action being taken.

The Board of Directors of the Company has three (3) independent directors. It is a given requirement that all directors exercise independent judgment. A director should view each problem or situation objectively.

The Audit Committee is constituted to perform oversight function over the Company's internal and external auditors to ensure that they are given unrestricted access to all records and other requirements; and free from interference by outside parties to enable them to perform their respective audit function.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company will formalize its policy that will be consistent with the related SEC Memorandum Circular 9, Series of 2011 on the Term Limits for Independent Directors, which took effect on January 2, 2012. Accordingly, the terms of any independent director as of January 2, 2012 would expire on or about December 31, 2016.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Director that happened during the period:

Name	Position	Date of Cessation	Reason
There were no changes in the composition of the Board of Director that happened during the period.			

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment	The Directors are selected and elected to serve the Company according to the procedures set forth in the By-Laws, with particular care in regard to a director's ability to perform duties and responsibilities as specified in the Revised Manual on Corporate Governance. In case of vacancies and other authorized instances, the Board may select or appoint its own members recommended by the Nomination Committee. It may appoint members of senior management as a Director. The invitation to join the Board is extended by the Board itself.	The Board follows a screening process and evaluates a Director based on background, skills and characteristics, ability to act in good faith in the interest of the Company and its stakeholders, capacity to provide business continuity, possession of a keen understanding of the business and any other qualification as specified in the Revised Manual on Corporate Governance.
b. Re-appointment	The process followed in re-appointment follows the same procedures as if a new appointment is made.	The same criteria observed as if a new appointment is made.
c.Permanent Disqualification and/or Removal		The criteria for the permanent disqualification of a Director are appropriately described in Section E of the Revised Manual on Corporate Governance, which involves final or permanent judgment or order by a competent judicial or administrative body,order of the Commission or any court or administrative body of competent jurisdiction and/or conviction by final judgment of an offense punishable by imprisonmengt for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment. Any person earlier elected as Independent Director who becomes an oficer, employee or consultant of the Company. Any person judicially declared as insolvent.
d. Temporary Disqualification and/or Reinstatement and/or Suspension	A temporary disqualified director shall, within sixty (60) business days from such disqualification, take appropriate action to remedy or correct the qualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. The disqualification shall be lifted if the limit is later complied with.	A Director will be temporarily disqualified under the following: Refusal to comply with the disclosure requirements of the Commission and its implement Rules and Regulations. Absence in more than 50% of all regular and special meetings of the board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. Dismissal or termination for cause as a director of any company covered by the Manual If the beneficial equity ownership of an Independent Director in the Company or its subsidiaries and affiliates exceeds two (2) percent of its subscribed capital stock. If any of the judgements or orders cited in the grounds for permanent disqualification has not yet become final.

Voting Result of the last Annual General Meeting ***(held last 22 May 2015)***

The number of nominees for directors is 11 and this equals the number of board seats available so that each of the 11 nominee for directors received equal number of votes of 5,039,239,701 each (Tomas I. Alcantara, Editha I. Alcantara, Carlos G. Dominguez, Honorio A. Poblador III, Tirso G. Santillan, Jr., Ramon T. Diokno, Conredo C. Alcantara, Alejandro I. Alcantara, Jose Ben R. Laraya, Thomas I. Aquino and Jacinto C. Gavino, Jr.)

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

The Company does not have a formal orientation program, however new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: Audited Financial Statements; SEC Form 20-IS-Information Statement/Annual Report; Revised Manual on Corporate Governance; Articles of Incorporation and By-Laws and other relevant write-ups, references and reports.

(b) State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tomas I. Alcantara (Chairman President)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Editha I Alcantara (Director-Treasurer)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Carlos G. Dominguez (Director)	09 June 2014 1 September 2015	Corporate Governance Seminar	Center for Training and Development, Inc
Tirso G. Santillan, Jr. (Director-EVP)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Honorio A. Poblador III (Director)	18 February 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Ramon T. Diokno (Director)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Jose Ben R. Laraya (Independent Director)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Thomas G. Aquino (Independent Director)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Luis R. Ymson, Jr. (Chief Financial Officer & Compliance Officer)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Roberto V. San Jose (Corporate Secretary)	07 November 2014 21 April 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Angel M. Esguerra, III (Asst. Corporate Secretary)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Esperidion D. Develos, Jr. (Chief Audit Executive)	07 November 2014 06 November 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.
Sylvia M. Duque (Member, Nomination Committee)	07 November 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment & Management (ROAM), Inc.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tomas I. Alcantara	*30&31 May 2013*	*Basic Course on Corporate Governance for Banks*	*Bankers' Institute of the Philippines, Inc.*

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

The Company's Code of Conduct and Policies which was approved by the Board and posted on the Company's website, touches on the topics identified below:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	This policy requires directors, officers, employees and consultants who find themselves in a potential or actual conflict of interest situation to promptly disclose the matter and, as applicable, seek an appropriate decision from the authorised person. Unless otherwise authorized by the Company, the person concerned should inhibit himlherself from any action, transaction, discussion, evaluation, or decision involving such conflict of interest. The policy also prohibits the Company from granting personal loan to directors or officers unless allowed by applicable laws and regulations. A Conflict of Interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest. Primary interest refers to the principal goals of the Company, such as the protection of its interests, the advancement of its financial and business performance and, the quality of service it provides to its clients. Secondary interest includes not only financial gain of an employee or group of employees, but also such motives as the desire for professional advancement and the wish to do favors for family and friends as such terms are defined in the Related Party Transactions Policy. GUIDELINES 1) Employees are expected, at all times, to act in the best interests of the Company and to exercise sound judgment, unclouded by personal interest or divided loyalties, therefore while employed by the Company or any of its affiliates: (a) An employee is expected to devote his/her time, attention and skill to the affairs of the Company and its affiliates during the usual business hours and will use his/her best endeavors to further its interests in every way. (b) An employee is expected to at all times to diligently, faithfully and to the best of his/her ability, perform the duties and responsibilities for which he/she has been employed as well as abide any additional instructions as may reasonably be requested of him/her. (c) An employee is required to use all proper means within his/her area of control and responsibility to maintain and improve the business, and to protect and further the reputation and interest of the Company and its affiliates. (d) An employee is not permitted to work for, or have any interest in any other company or business, or undertake any activity which might interfere with his/her duties, or negatively affect his/her performance, or create a conflict with the company's interest. 2) Whenever a director, officer, employee or consultant of the company find themselves in a possible or actual conflict of interest situation, they shall be required to disclose such fact to their supervisor or direct superior in order for the latter to determine the extent to which the possible or actual conflict of interest may adversely affect the Company's interests. This disclosure shall also include a request for approval from the company to engage in the subject action or activity. This supervisor or direct superior, on his/her own, or with the help of other qualified officers of the Company, shall assess the circumstances as well as all factors involving such possible or actual conflict and fairly decide on whether to allow the same or not.		

(b) Conduct of Business and Fair Dealings	Directors and Officers should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. In espousing professionalism among all employees, the Company strictly prohibits behavior that violates common decency as referred to in the Code of Conduct (ACR Employees Handbook, Section 1, 2-e page 4)
(c) Receipts of gifts from third parties	Directors, Senior Management and Employees must avoid situations where personal interests of the Company. Examples include involvement in competing businesses, accepting or giving preferential treatment, favors or gifts to customers and/or suppliers. (ACR Employee Handbook Section 1, 2-d , page 4)
(d) Compliance with Laws & Regulations	A director should have a working knowledge of the statutory and regulatory requirements that affect the Company. Officers and employees shall adhere to the norms and restrictions imposed by applicable laws, rules and regulations.
(e) Respect for Trade Secrets/Use of Non-public Information	A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.
(f) Use of Company Funds, Assets and Information	Diretors, Officers and Employees shall use company property and resources including company time, supplies and softwares, efficiently, responsibly and only for legitimate business purposes only.
(g) Employment & Labor Laws & Policies	The Company has an Employees' Handbook of Policies which provides for employee rights and obligations to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies, which are consistent with and in accordance with relevant provisions of the Labor Code.
(h) Disciplinary action	Employees disciplinary measures are imposed in progressively increasing weight whenever violations are committed against the prescribed policies, rules and regulations. A running period of one calendar year will be the basis for computing and imposing applicable penalties/recurring violations. The Management has the prerogative to impose appropriate disciplinary action depending on mitigating or aggravating circumstances. (ACR Employees Handbook, Section III, page 12)
(i) Whistle Blower	This specific policy pertains to 'whistle-blowing' which refers to the disclosure by covered employees who have personal knowledge of fraud, misappropriations, discrimination, sexual harassment and other wrongful conduct by employees at the Company. GUIDELINES 1) Mechanism. The Company shall designate a dedicated e-mail address for employees to freely communicate any wrongful conduct committed by employees while working at the Company. The reporting employee may report the wrongful conduct anonymously. This reporting mechanism is in addition to the existing system of reporting to a supervisor, a manager at the higher level, or in the Office of the Chairman, or others as specified in the individual policies. 2) Confidentiality. Allegations of wrongful conduct will be taken seriously, and the Human Resources Department will direct the conduct of the investigation of such allegations. Reports will be kept confidential to the greatest extent possible, consistent with the need to conduct an investigation. The identity of the individual making the allegation will be kept confidential so long as it does not hinder or frustrate any investigation. However, the investigation process may reveal the resource of the information and the individual making the disclosure may need to provide a statement as part of the evidence required. 3) Wrongful Conduct to be Reported. Reporting must be made in good faith. This policy is not intended to be a mechanism to communicate grievances against other employees of the Company or, unless such grievance is a wrongful conduct under existing policy. Violations of existing policies and any other unlawful or questionable actions may be reported through the dedicated whistle-blowing e-mail address on the matters such as, but not limited to: (i) Loss and fraudulent act or suspected fraudulent act, (ii) Criminal activity, (iii) Discrimination and Sexual Harassment

	(iv) Violation of the code of conduct and accountability (v) Acceptance of gifts or other inducements (vi) Conflict of interest (vii) Treatment of a costumer/client (viii) Dangerous act affecting health and safety (ix) Act causing damage to the environment (x) Breach of standing financial instructions (xi) Showing undue favor to a vendor or client or to a job applicant, or (xii) Information on any of the above that has been, is being, or is likely to be concealed. This list is not exclusive and is merely a guide. It should be emphasized that this policy is intended to assist employees who reasonably believe that they have personally witnessed any of the foregoing violations. It is not designated to question financial or business decision taken by management, and it should not be used to reconsider the decision on any matter that had already been rendered under the formal disciplinary and grievance procedures. Once the whistle-blowing procedures are in place, it is reasonable to expect employees to use them rather than air their complaints outside the Company. 4) No Harassment of a Whistle-blower. No employee, who in good faith, reports a violation, will suffer harassment or retaliation or bullying. The Company will not tolerate any harassment or victimization in whatever form or manner of a whistle-blower and will treat this as a serious disciplinary offense, which will be dealt with under the Company's existing disciplinary rules and regulations. 5) Untrue Allegations. If an employee makes an allegation in good faith, which allegation was proven to be false by subsequent investigation, no action will be taken against such employee. In making a disclosure, the employee should exercise due care to ensure veracity of the information. If, however, an employee makes malicious allegations or retaliations, disciplinary action may be taken against that individual. 6) Sanction. The Human Resources Department will be primarily responsible for imposing the sanction to employees who have been proven guilty for not following this policy. The appropriate sanction shall be based on the Company's Code of Conduct. 7) Amendment and/or Termination. At any time, and at its sole discretion, the Company may amend, modify or suspend or completely withdraw this policy, in a whole or in part. 8) Approvals. All approvals for any amendment to this policy are vested with the President upon the recommendation by the Human Resources, Internal Audit and Legal Departments.
(j) Conflict Resolution	Conflicts affecting directors, senior management and employees are amicably settled by internal discussions and meetings.

2) **Has the code of ethics or conduct been disseminated to all directors, senior management and employees?**

A draft code of ethics and conduct has been drafted and revised, and is awaiting for distribution to all directors, managers and employees upon approval by the executive directors and senior management.

3) **Discuss how the company implements and monitors compliance with the code of ethics or conduct.**

Upon approval of the code of ethics and conduct, copies will be distributed to all directors, managers and employees, and it is expected that Human Resources department will conduct in-house briefings, seminars and general assemblies to discuss the code, its salient provisions, and how the employees will implement the same. The monthly general assembly of the employees of the Group will most likely be used to disseminate the code and inculcate compliance with the same at all levels.

4) **Related Party Transactions**

(a) **Policies and Procedures**

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(2) Joint Ventures	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(3) Subsidiaries	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(4) Entities Under Common Control	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(5) Substantial Stockholders	*Substantial stockholders shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the stockholder to promptly notify the board of any proposed related party transaction. Conflicted stockholders shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(6) Officers including spouse/children/siblings/parents	*Officers shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the officer to promptly notify the board of any proposed related party transaction. Conflicted officers shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(7) Directors including spouse/children/siblings/parents	*Directors shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the officer to promptly notify the board of any proposed related party transaction. Conflicted officers shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(8) Interlocking director relationship of Board of Director	*As provided under the Corporation Code, management obtains the Board's approval before entering into any related party transaction ("RPT"). Thus, the RPT is specifically included in the notice and agenda of the Board meeting, and the Directors are fully informed of each proposed RPT. Moreover, the Directors of the Company who are also directors of the related party with whom the RPT is to be entered (the "inter-locked" Directors) are expressly excluded from the calculation of the quorum of the meeting during which the proposed RPT is considered. In the vote for the RPT, the inter-locked Directors are excluded from the voting.*

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

No related party transaction with subject directors/ officers and 5% shareholders, other than the per diem received for attending meetings of the Board and its committees.

(ii) Mechanisms

Describe the mechanism laid down to detect, determine and resolve any posible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	The Company's accounting and audit departments continuously reviews its transactions and any sign of a conflict of interest is examined and investigated.
Group	The Company's accounting and audit departments continuously reviews its transactions and any sign of a conflict of interest is examined and investigated.

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Alsons Corporation (AC)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other
Alsons Development & Investment Corporation (ALDEVINCO)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other
Alsons Power Holdings Corporation (APHC)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other

(b) Indicate, if applicable, any relation of a commercial, contractual or business that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholder	Type of Relationship	Brief Description
Alsons Corporation (AC)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other
Alsons Development & Investment Corporation (ALDEVINCO)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other
Alsons Power Holdings Corporation (APHC)	Affiliated with other significant shareholders	AC, ALDEVINCO & APHC are affiliates of each other

(c) Indicate any shareholder agreement that may impact on the control, ownership and strategic direction of the company:

Name of Shareholder	% of Capital Stock affected (Parties)	Brief Description of the Transactions
None	None	None

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	Between the Company and its stockholders, any "dispute" is addressed by conciliation meetings and efforts, on the Company's part, to assist the stockholders in their issue with the Company. To the extent allowed by law, rules and regulations, the Company extends advice and assistance to the stockholder, particularly those who have missing share certificates or those inheriting the same from relatives who had passed away.

Corporation & Third Parties	Between the Company and it third parties, the Company ensures that its contracts have alternative dispute resolution provisions, such as arbitration, that will allow the Company to avoid costly and time-wasting litigation. If the counter-party allows it, the venue of arbitration is in the Philippines.
Corporation & Regulatory Authorities	Between the Company and regulatory authorities, the Company simply seeks clarifications on the requirement(s) imposed by such agencies and attempts to comply with same. Such measures include conferences with the appropriate officials of the Commission.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Director's meetings scheduled before or at the beginning of the year?

Yes, board of directors' meetings are scheduled at the beginning of the year, in accordance with the requirements of the Articles of Incorporation and By-Laws.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings held during the Year	No. of Meetings Attended	%
Chairman	1. Tomas I. Alcantara	22 May 2015	7	7	100%
Member	2. Editha I. Alcantara	22 May 2015	7	4	57%
Member	3. Tirso G. Santillan,Jr.	22 May 2015	7	7	100%
Member	4. Alejandro I. Alcantara	22 May 2015	7	5	71%
Member	5. Ramon T. Diokno	22 May 2015	7	7	100%
Member	6. Carlos G. Dominguez	22 May 2015	7	7	100%
Member	7. Conrado C. Alcantara	22 May 2015	7	7	100%
Member	8. Honorio A. Poblador III	22 May 2015	7	4	57%
Independent	9. Jose Ben R. Lerava	22 May 2015	7	7	100%
Independent	10. Jacinto C. Gavino, Jr.	22 May 2015	7	6	86%
Independent	11. Thomas G. Aquino	22 May 2015	7	7	100%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Management is unaware if the non-executive directors have a separate meeting or meetings during the year without the presence of any executive.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No, the minimum quorum requirement for Board decisions is set at a majority as specified in the Corporation Code and the Company's articles of incorporation and/or by-laws.

5) Access to Information

(a) How many days in advance are board papers for board of directors meetings provided to the board?

Notice of the meeting, agenda, reference materials and other related reports are required to be sent to the members of the Board of Directors at least three (3) days prior to the date of the meeting.

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes, each Director has independent access to management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc? Yes

The Company secretary is responsible for the safekeeping and preservation of the integrity of the

minutes of the meetings of the Board and its committees, as well as the other official records of the Company. He informs the members of the Board, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval. He ensures that all board procedures, rules and regulations are strictly followed by the members.

(d) **Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.**

Yes, the Company Secretary has the appropriate administrative and interpersonal skills; and is aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.

(e) **Committee Procedures**

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes / No

Committee	Details of the procedures
Executive	*Notice of the meeting and related Agenda are sent at least three days before the scheduled meeting date, with presentation materials (if any), to be sent as soon as possible thereafter.*
Audit	
Nomination	
Compensation	

6) **External Advice**

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Engagement of consultants	*At Board or Committee meetings, Directors may suggest the engagement of consultants, whether o financial, accounting or legal matters, who can render advise on issues arising from the operations of the Compan and/or its subsidiaries.*
Direct Advice from Advisors and/or Counsel	*The Directors can directly contact the external advisors of the Company and ask them to address the issues raised by such Directors and arising from the operations of the Company and/or its subsidiaries. Conferences among the Directors and advisors may be arranged.*

7) **Change/s in existing policies**

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
None	None	None

D. **REMUNERATION MATTERS**

1) **Remuneration Process**

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration (2) Variable remuneration (3) Per diem allowance (4) Bonus (5) Stock Options and other financial instruments (6) Others (specify)	*The Board's Compensation Committee establishes a formal and transparent procedure for developing a policy on remuneration of CEO to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates*	*The Board, with the Compensation Committee, establishes a formal and transparent procedure for developing a policy on remuneration of senior managers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*

2) **Remuneration Policy and Structure for Executive and Non-Executive Directors**

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-executive Directors is calculated.

	Remuneration	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	*Per diem*	*At each meeting of the Board of Committee, the Company pays the ED a per diem for attendance of the meeting*	*The Board reviews the remuneration of executive directors to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*
Non-Executive Directors	*Per diem*	*At each meeting of the Board of Committee, the Company pays the NED a per diem for attendance of the meeting*	*The Board reviews the remuneration of non-executive directors to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes, the details are set forth below.

Remuneration Scheme	Date of Stockholders' Approval
Per diems in 2012 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	*24 May 2013*
Per diems in 2013 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	*23 May 2014*
Per diems in 2014 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	***22 May 2015***

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	None		
(b) Variable Remuneration			
(c) Per diem Allowance	*The aggregate amount paid by the Company to its Directors and Executive Officers as a group was ₱3,210,000.00*		
(d) Bonuses	None		
(e) Stock Options and/or other financial instruments			
(f) Others (specify)			
Total	*₱ 3,210,000.00*		

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members if the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
Not Applicable				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentives programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
Not Applicable		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Luis R. Ymson, Jr., Chief Financial Officer	*₱ 90,000.00*
Esperidion D. Develos, Jr., Chief Audit Executive	*₱ 90,000.00*
Roberto V. San Jose, Corporate Secretary	*₱210,000.00*
Angel M. Esguerra, III, Asst. Corporate Secretary	Not included in the Company's per diem

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	3	0	2	*The Company By-Laws, Article 1, Section 8*	*The ExecutiveCommittee exercise all the powers of the Board except: (1) The approval of any action for which stockholders' approval is required; (2) The filling of vacancies in the board; (3) The amendment or repeal of the By-Laws or the adoption of new by-laws; (4) The amendment or repeal of any resolutions of the Board of Directors which by its terms is not so amendable or repealable; and (5) Distribution of cash dividends to the shareholders.* *The act of the majority of the members of the Executive Committee shall be the act of the Executive Committee. Minutes of all the proceedings of the executive Committee shall be kept, and shall be submitte to the Board of Directors for its information.*	*The Executive Committee has the same responsibilities as the Board except for the responsibility for (1) The approval of any action for which stockholders' approval is required; (2) The filling of vacancies in the board; (3) The amendment or repeal of the By-Laws or the adoption of new by laws; (4) The amendment or repeal of any resolutions of the Board of Directors which by its terms is not so amendable or repealable and (5) Distribution of cash dividends to the shareholders.*	*The Executive Committee has the same power as the Board except for the power to (1) approve any action for which stockholders' approval is required; (2) Filling of vacancies in the board; (3) Amending or repealing of the By-Laws or the adoption of new by laws; (4) Amending or repealing of any resolutions of the Board of Directors which by its terms is not so amendable or repealable and (5) Distribution of cash dividends to the shareholders.*
Audit	2	1	2	*Audit Committee Charter*	*Assists the Board of Directors in fulfilling its responsibility for oversight of corporate governance processes, particularly those which affect the integrity of consolidated financial statements and any formal announcements relating to the financial performance*	*Oversight responsibility in matters relating to:* *1. The Company's consolidated financial statements and the financial reporting process* *2. Systems of internal accounting, financial controls, information technology security and managing business risks* *3. The functions of internal and external auditors and their performance* *4. Adoption of the highest standards of accounting and business ethics* *5. Compliance with legal and regulatory matters*	*Authority to conduct or authorize investigations into any matter within its scope of responsibility, with full access to all records, books of accounts, facilities and personnel. It has the authority to obtain advice and assistance from outside legal, accounting and other advisors, and to meet with and seek information it requires from employees, officers and directors*
Nomination	1	2	1	*Revised Manual on Corporate Governance*	*Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;*	*Ensure that all persons nominated to the Board and other appointments that require Board approval are qualified, and that the Board's processes and procedures in the election or replacement of directors are effective.*	*Screening of all persons nominated to the Board and other appointments; such other implied power to ensure that the Board's processes and procedures in the election or replacement of directors are effective.*

Compensation	2	1	1	*Revised Manual on Corporate Governance*	*Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*	*Establishment of a formal and transparent procedure for developing a policy on remuneration of directors and officers so that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*	*Recommend to the Board a policy on the remuneration of directors and officers.*

2) **Committee Members**

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	22 May 2015	5	5	100%	3 years
Member (ED)	Editha I. Alcantara	22 May 2015	5	4	80%	3 years
Member (ED)	Tirso G. Santillan, Jr.	22 May 2015	5	5	100%	3 years
Member (ID)	Jose Ben R. Laraya	22 May 2015	5	4	80%	3 years
Member (ID)	Thomas G. Aquino	22 May 2015	5	5	100%	3 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman (ID)	Jose Ben R. Laraya	22 May 2015	6	5	83%	3 years
Member (ED)	Editha I. Alcantara	22 May 2015	6	5	83%	3 years
Member (ED)	Tirso G. Santillan, Jr.	22 May 2015	6	6	100%	3 years
Member (ID)	Jacinto C. Gavino, Jr.	22 May 2015	6	5	83%	3 years
Member (NED)	Ramon T. Diokno	22 May 2015	6	6	100%	3 years

Disclose the profile or qualifications of the Audit Committee members.

Each member has a working knowledge of the statutory and regulatory requirements and responsibilities, the business environment, operations and the risks relating thereto, and key accounting and financial reporting concepts and practices relevant to the various companies included in the Company.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee provides assistance to the board of directors in fulfilling the oversight responsibility to the shareholders relating to the functions of external auditors and their performance.

In consultation with the CEO, CFO and CAE, the Audit Committee recommends the appointment, compensation, and replacement of the external auditor. It reviews and approves the audit plan, and receives audit reports; including disagreements with management on critical accounting policies and practices. The Audit Committee assesses and ensures the independence of the external auditor, and recommends rotation, if applicable.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	22 May 2015	1	1	100%	3 years
Member (NED)	Sylvia M. Duque	22 May 2015	1	1	100%	3 years
Member (NED)	Carlos G. Dominguez	22 May 2015	1	1	100%	3 years
Member (ID)	Jose Ben R. Laraya	22 May 2015	1	1	100%	3 years

(d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	22 May 2015	-	-	-	3 years
Member (ED)	Tirso G. Santillan, Jr.	22 May 2015	-	-	-	3 years
Member (NED)	Honorio A. Poblador III	22 May 2015	-	-	-	3 years
Member (ID)	Jose Ben R. Laraya	22 May 2015	-	-	-	3 years

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	*No change during the year.*	
Audit		
Nomination		
Compensation		

4) Work done and issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	*This Committee reviewed all matters and actions for approval of the Board prior to presentation to the Board. Thus, all actions of the Board were recommended by this Committee after study and evaluation.*	*In reviewing all matters and actions for approval by the Board prior to presentation to the Board, this Committee addressed all contentious issues that the Board raised, as well as those issues arising from the study and evaluation of the proposed transactions. Such issues included (i) the transfer of shares of subsidiaries from a subsidiary to the Company; (ii) agreements with other shareholders of a foreign company for joint voting of said shares; (iii) loans with banks and affiliates for the funding of projects; audited annual and quarterly financial statement; conversion of advances into equity in a land-holding subsidiary; (iv) development expenses budget; (v) cash dividends; (vii) acceptance of a partner in a power project.*
Audit	a. *Assessed and challenged, where necessary, the correctness of the quarterly, midyear and annual consolidated financial statements and all related disclosures and reports certified by the CFO before submission to the board and released to the SEC and the public. In consultation with the CFO and CAE assured the relevance and consistency of the accounting policies applied; no material errors or misstatements and fraud occurred.* b. *In consultation with the External and Internal Auditors, assessed the effectiveness and adequacy of the internal control systems. Understood the audit plan and obtained results of audit activities, including significant findings, corresponding recommendations and Management responses and plans of action.* c. *Obtained assurance that the External and Internal Auditors had free and full access to the Company records and were free from interference in the conduct of the audits. Recommended the appointment of the External Auditor* d. *Obtained and understood updates on ongoing projects of subsidiaries and visited and did*	*All questions raised to clarify items in the financial statements were adequately answered, particularly the assumptions used in the valuation and impairment assessment, which were all disclosed in the financial statements under Significant Judgments and Estimates.* *Aside from those specifically identified and disclosed under the Notes to Financial Statements, there were no issues raised that materially affected the accuracy of financial statements.* *None* *None*

	ocular inspection of the existing facilities e. Revised the Audit Committee Charter to comply with the new guidelines and completed the assessment of the performance of the Committee	There were no material issues raised and the Committee agreed to continuously improve its performance
Nomination	This Committee reviewed and evaluated the qualifications of the persons nominated to the Board	The issue of the qualifications of the persons nominated to the Board were addressed by this Committee.
Compensation	Members of this Committee were consulted on the proposed increase of the per diems for the directors and executive officers, which increase was implemented.	The issue of whether or not to increase the per diems of the directors and executive officers was addressed by this Committee.

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	This Committee will continue to review and evaluate the transactions to be brought to the Board.	This Committee will address all the issues arising from transactions to be brought to the Board.
Audit	This Committee will continue to assess and challenge, where necessary, the correctness of the quarterly, midyear and annual consolidated financial statements and all related disclosures and reports certified by the CFO before submission to the Board and release to the SEC and the public. In consultations with the CFO and CAE, this Committee will continue to: (a) assure the relevance and consistency of the accounting policies applied; (b) ensure that no material errors or misstatements and fraud occur; (c) in consulation wih the External and Internal Auditors, assess the effectiveness and adequacy of the internal control systems, review the audit plan and obtain results of audit activities, including significant findings, correspondence, corresponding recommendations and Management responses and plans of action; (d) obtain assurance that the External and Internal Auditors had free and full access to the Company records and were free from interference in the conduct of the audits; (e) Recommended the appointment of the External Auditor; (f) obtain and understand updates on ongoing projects of subsidiaries and visit and do ocular inspection of the existing facilities; (g) revise the Audit Committee Charter to comply with the new guidelines and complete the assessment of the performance of the Committee.	This Audit Committee will address all the issues arising from transactions to be brought to the Executive Committeee and/or Board.
Nomination	This Committee will continue to review and evaluate the qualifications of all persons nominated to the Board, as well as other appointments that require Board approval. Moreover, it will continue to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;	This Committee will address the issues arising from nominations to the Board, including the issue of qualifications of various nominees. The Committee will also determine whether it needs a separate Charter similar to that of the Audit Committee.
Compensation	Members of the Compensation Committee continue to develop a policy on remunerations of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.	This Committee will most likely address the issues arising from such a policy, including the extent of application, and the criteria for officers to be beneficiaries of such policies in the context of the business environments where the Company or its subsidiaries operate.

F. RISK MANAGEMENT SYSTEM

1) **Disclose the following:**

(a) **Overall risk management philosophy of the company**

The Company believes that the oversight and accountability for the risk assessment process is critical to ensure that the necessary commitment and resources are secured, that it occurs at the right level in the organization and the risks are evaluated through a rigorous and ongoing process, the results of which are timely acted upon.

(b) **A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof**

The board of directors through the Audit Committee reviewed the effectiveness and adequacy of the risk management system.

(c) **Period covered by the review**

Year 2014

(d) **How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and**

The review of the Company's risk management system is continuous and reports on its adequacy and effectiveness obtained as regularly as needed.

(e) **Where no review was conducted during the year, an explanation why not.**

Annual review is conducted.

2) **Risk Policy**

(a) **Company**

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behid the policy for each kind of risk.

Risk Exposure	Risk Management Policy	Objective
Credit Risk	*The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.*	*Ensure that the counterparty will meet its obligation*
Liquidity Risk	*The Company maintains sufficient funds or will not have difficulty in raising funds to meet or settle its obligations at a reasonable price*	*Ensure that the Company maintains sufficient funds to finance its operations*
Interest Rate Risk	*The Company manages its interest cost using a mix of fixed and variable debt rates and monitors possible changes in interest rates using sensitivity analysis*	*Ensure that changes in market interest rates will not materially affect the fair value or future cash flows of financial instruments*
Equity Price Risk	*The Company intends to hold on to investments indefinitely in response to liquidity requirements or changes in market conditions*	*Ensure that decreases as a result of changes in the value of individual stocks will not materially affect the fair value of quoted AFS investments*
Foreign Currency Risk	*The Company manages its exposure to foreign currency risk by maintaining sensitivity analysis of possible decline in values and limits its transactions denominated in currencies other than its functional currency*	*Ensures that losses due to changes in foreign currency is limited*
Capital Management	*The Company manages its capital structure and makes adjustments to it, in light of changes in*	*Ensures that the Company maintains a strong credit rating and healthy capital*

	economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment, return capital or issue new shares to stockholders. The Company monitors capital on the basis of the debt-to-equity ratio.	ratios in order to support its businesses and maximize shareholder's value

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk	The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. In the Group's real estate business, the transfer of the property is executed only upon full payment of the purchase price. There is a provision in the Sales Contract which allows forfeiture of the instalment/deposits made by the customer in favor of the Group in case of default. In the power generation business, it is the policy of the Group to comply with all the provisions in the Energy Conversion Agreements (ECA) With respect to financial assets of the Group, maximum exposure arising from default of the counterparty is equal to the carrying value of the instruments.	Ensure that the counterparty will meet its obligation under a financial instrument or a customer contract and avoid financial loss. Minimize Group's exposure to bad debts. Minimize the credit risk exposure or any margin loss from possible default in the payment of instalment.
Liquidity Risk	The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements.	Maintain sufficient cash and cash equivalents to meet maturing obligations and pay dividend declarations.
Interest Rate Risk	The Group's policy is to manage its interest cost using a mix of fixed and variable debt rates and monitors possible changes in interest rates using sensitivity analysis	Ensure that changes in market interest rates will not materially affect the fair value or future cash flows of financial instruments
Equity Price Risk	The Group intends to hold on to investments indefinitely in response to liquidity requirements or changes in market conditions	Ensure that decreases as a result of changes in the value of individual stocks will not materially affect the fair value of quoted AFS investments
Foreign Currency Risk	The Group manages its exposure to foreign currency risk by maintaining sensitivity analysis of possible decline in values and limits its transactions denominated in currencies other than its functional currency	Ensures that losses due to changes in foreign currency is limited
Capital Management	The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment, return capital or issue new shares to stockholders. The Company monitors capital on the basis of the debt-to-equity ratio.	Ensures that the Group maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholder
The principal risk to the minority shareholders of the exercise by the controlling shareholders' voting power is lack of control.

3) **Control System Set Up**

(a) **Company**

Briefly describe the control system set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial Risks	*Financial Statement risk assessment*	*Evaluate risks related to the material misstatement of the Company financial statements through input from the Accountants, Internal Audit and Operations. The evaluation considers the characteristics of the financial reporting elements; particularly, materiality and susceptibility of the underlying accounts, transactions, or related support to a likelihood that a control may fail to operate as intended and its impact to financial reports.*
Market Risks	*Market risk assessment*	*Evaluate market movements that could affect the Company's performance, particularly interst rates and currency.*
Credit Risks	*Credit risk assessment*	*Evaluate the potential that a borrower will fail to meet its obligations in accordance with agreed terms.*

(b) **Group**

Briefly decribe the control system set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial Risks	*Financial Statement risk assessment*	*Evaluate risks related to the material misstatement of the Company financial statements through input from the Accountants, Internal Audit and Operations. The evaluation considers the characteristics of the financial reporting elements; particularly, materiality and susceptibility of the underlying accounts, transactions, or related support to a likelihood that a control may fail to operate as intended and its impact to financial reports.*
Market Risks	*Market risk assessment*	*Evaluate market movements that could affect the Company's performance, particularly interst rates and currency.*
Credit Risks	*Credit risk assessment*	*Evaluate the potential that a borrower will fail to meet its obligations in accordance with agreed terms.*

(c) **Committee**

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanisms	Details of its Functions
Audit Committee		*The Committee encourages continuous improvement of and fosters adherence to the policies, procedures and best practices set up by the Company as well as the subsidiaries under it, at all levels. It provides for open communications among and between management, the exernal auditors, internal auditors and the board of diretors.*

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company

The Company's Manual on Corporate Governance defines internal control system as the framework under which internal controls are developed and implemented to manage and control business risks to which the Company is exposed. The manual further identifies the objectives of the internal control system which is to ensure the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate

The Board of Directors confirm the adequacy and effectiveness of the internal control system of the Company.

(c) Period covered by the review;

Year 2014

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The review of internal controls is continuous and the Board of Directors, thru its Audit Committee renders an annual report of its adequacy and effectiveness.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable, quarterly review is conducted.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-House or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting Process
To provide independent assurance to the Board and Management as to the status of the Company's risk management, control and governance processes.	*The Internal Audit Team is involved in the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management, and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the Company's stated goals and objectives. It's responsibilities thereby include, though not limited to, the following: Evaluation*	*In-House*	*Mr. Esperidion D. Develos, Jr.*	*The Internal Audit Group reports functionally to the Board of Directors through the Audit Committee. Its activities are guided and performed in accordance with the revised "Standards for the Professional Practice of Internal Auditing" and "Code of Ethics" developed by the Institute of Internal Auditors and/or any other auditing standards as may be adopted by the Internal Audit*

	of the reliability and integrity of information and the means used to identify, measure, classify, and report such information; Evaluation of the means of safeguarding assets; and, Assessment of the effectiveness and efficiency with which resources are employed.			

(b) Do the appointment and/or removal of the Internal Auditor or the accounting/ auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The appointment or removal of the Chief Internal Auditor is vested in the Audit Committee.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of the directors and the audit committee and to all records, properties and personnel?

The results of the financial, operations and compliance review conducted by Internal Audit are reported directly to the Audit Committee. In the performance of its audit function, it has full access to all records, facilities, properties and personnel of the line companies and is authorized to review and appraise policies, plans, procedures, and processes. The internal audit activity is free from interference in determining its scope, performing its work and communicating its results. A separate meeting between the Audit Committee and the Chief Audit Executive may be conducted to discuss any matter that may be necessary to be discussed privately.

(d) Resignation, Re-assignment and Reasons

Disclose any registrations or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reasons for them.

The Internal Auditors' assignments are rotated periodically to avoid familiarity and ensure independence. For the year 2014, the following Internal Auditors tendered their resignation.

Name of Audit Staff	Reason
Chonabeth I. Nazario (AVP & Head of Group Internal Audit)	*Career advancement*
Cheryl Ivy C. Losala (Group Internal Auditor)	*Personal*

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	*The progress of Annual Internal Audit Plan versus the Actual engagements completed or on-going is being monitored annually and is reported to the Audit Committee*
Issues	*Issues are discussed with the Auditees in informal and formal meetings for clarification and/or agreement to subsequently comply or discuss required changes or updates to existing policies or procedures, if necessary.*
Findings	*Findings are discussed with the Auditees in informal and formal exit meetings and their responses considered and included as Auditees' Comments in final Audit Reports*
Examination Trends	*As a holding Company, the examinations are being conducted on the subsidiaries*

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) **Preparation of an audit plan inclusive of a timeline and milestones;**
2) **Conduct of examination based on the plan;**
3) **Evaluation of the progress in the implementation of the plan;**
4) **Documentation of issues and findings as a result of the examination;**
5) **Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;**
6) **Conduct of the foregoing procedures on a regular basis.]**

The Internal Audit Plan is presented to the Audit Committee for approval on a yearly basis. The assignments are prioritized to cover transactions mostly at risk in case of non-compliance or deviation. The timing, scope and limitations of the actual audit activity is based on volume, size and complexity of transactions, the degree of delegation of authority, extent and effectiveness of information technology and extent of regulatory compliance.

Under the Internal Audit Annual Plan, for financial audits, which are designed to validate the existence, accuracy and completeness of account balances, account balances as of a particular date are reviewed. For operations audit, which involve the walkthrough of procedures and compliance review, samples for testing are selected from a period of one year.

All audit findings are discussed with the line management operating heads to validate that the Internal Auditor's understanding of the processes and procedures is accurate and to obtain agreement on the facts and key statements in the report. The Auditees' comments, responses on recommendations, concurrence or non-concurrence with the findings, corrective actions and timetable for such actions are incorporated in the audit report.

Internal audit will report on the results of the review on the next nearest Audit Committee meeting.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation".

Policies & Procedures	Implementation
Cash	*Implemented*
Receivables	*Implemented*
Inventories	*Implemented*
Fixed Assets	*Implemented*
Investments	*Implemented*
Payables	*Implemented*
Requisition, Procurement and Storage Process	*Implemented*
Release of Materials and Inventory Process	*Implemented*
Expenditure and Disbursement Process	*Implemented*
Recruitment/Labor Contracting/Salary and Benefit Management Process	*Implemented*
Contract Review	*Implemented*
Billing and Collection Process	*Implemented*
Project Management Process	*Implemented*
Outside and Contracted Service Review	*Implemented*
Compliance Review over Regulatory Reports	*Implemented*

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal ad External)	Financial Analysts	Investment Banks	Rating Agencies
a. The Group reports directly to the Audit Committee, not to Management *b. The Group does not assume operating responsibilities and is not required nor expected to develop or install procedures, prepare records or engage in any activity which will be subject of review* *c. Internal Auditors are free from interference in determining the scope of examination, in performing audit work and in communicating results of audit* *d. Internal Auditors have free and full access to all records, properties and personnel*	*The Financial Analysts engaged by the Company for various purposes are so engaged precisely because of their independence so that their findings are credible to those who will be using their findings. The have the quality to avoid being unduly influenced by a vested interest and being free from any constraints that would prevent a correct course of action being taken.*	*The Investment Banks who transact, or propose to transact, with the Company, are not affiliated with the Company and possess the quality to avoid being unduly influenced by avested interest and being free from any constraints that would prevent a correct course of action being taken.*	*The Rating Agencies the rate the Company are not affiliated with the Company and possess the quality to avoid being unduly influenced by a vested interest and being free from any constraints that would prevent a correct course.*

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such information must state that all directors, officers and employees of the company have been given proper instruction of their respective duties as mandated by the Code and that internal mechanism are in place to ensure that compliance.

The Chairman and President (who is the CEO) and the Compliance Officer attest to the company's full compliance with the SEC Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	*The Company's commitments to its stakeholders include a commitment to its customers of product excellence and quality service*	*The Company adheres to its commitments to its customers by adopting and maintaining practices that will produce an excellent product and/or render services of excellent quality*
Supplier/contractor selection practice	*The Company's selection practice for its suppliers and contractors takes into account not only the lowest price but the right price and quality for the services or goods being supplied.*	*The Company review its requirements from suppliers and contractors and considers prices and quality of products and good supplied or services to be rendered.*
Environmentally friendly value-chain	*To the extent possible, the environment is considered in deciding who will provide the products and services in the company's value chain.*	*The Company assiduously reviews its requirements from suppliers and contractors and considers the environmental impact of the products or good supplied or services to be rendered.*
Community interaction	*The Company's commitments to its stakeholders include a commitment to its host communities of shared efforts in sustainable development. Thus, the Company continued outreach to host communities in coordination with the Conrado and Ladislawa Alcantara Foundation Inc. (CLAFI), a non-stock, non-profit entity overseeing the Corporate Social Responsibility (SCR) functions of the Company and the Alcantara Group.*	*Donation of workbooks; provision of tutoring and mentoring programs, and English review sessions; scholarships for short-term technical-vocational courses, high school and college students; donations of study chairs, computer equipment, and entire school buildings.*

Anti-corruption programmes and procedures?	*Corruption is deterred by the dissemination of ethical expectations and the enforcement of rules and regulations.*	*The Company disseminates its materials to establish ethical standards of conduct, and reinforces the same by regular lectures during its monthly general meeting of all Group employees.*
Safeguarding creditors' rights	*The Company respects the rights of its creditors by complying with all of its affirmative covenants, negative undertakings and all other obligations in its various creditors' agreements.*	*The Company regularly reviews its loan and security agreements to ensure that all of the rights of the creditors are observed, and all of its obligations are complied with.*

2) **Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?** *Yes*

3) **Performance-enhancing mechanisms for employee participation.**

   (a) **What are the company's policy for its employees' safety, health, and welfare?**

   The company, as part of the Group, provides its employess with Management-Initiated Benefits in addition to providing the benefits mandated by statutes. Management-Initiated Benefits include additional vacation leave, sick leave, transporation allowance, rice, uniform, medical & hospitalization benefits, accident and life insurance.

   (b) **Show data relating to health, safety and welfare of its employees.**

   The data for the Company employees relating to health, safety and welfare re to be extracted from the data for the Group employees, which extraction is currently on-going.

   (c) **State the company's training and development programmes for its employees. Show the data.**

   The data for the Company's training and development program for its employees are to be extracted from the data for the Group employees, which extraction is currently on-going.

   (d) **State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.**

   This Company is considering the codification of this policy.

4) **What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.**

   Currently, complaints by employees concerning illegal and unethical behavior, including corruption, if any, are coursed through the appropriate department, including but not limited to, the Human Resources Department, Internal Audit or Legal. Depending on the nature of the complaint, and the evidence of the complainant, the Company will call the attention of the employee concerned, ask him/her to submit an explanation and, depending on the employee's explanation, impose the appropriate sanction, which may inclue, but are not limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevent jurisprudence. Complaining employees are protected from retaliation by anonymity and confidentiality.

   To further enhance the reception, investigation and handling of these complaints, as well as ensuring that complaining employees are protected from retaliation, the Company implemented its Whistleblowing Policy effective October 1, 2014. There is now a dedicated e-mail address where employees can report anonymously, if desired.

I. DISCLOSURE AND TRANSPARENCY

1) **Ownership Structure**

   (a) **Holding 5% shareholding or more (as of May 22, 2015)**

Shareholder	Number of Shares	Percent	Beneficial Owner
Alsons Corporation Alsons Power Holdings Corporation Alsons Development & Investment Corporation	2,592,524,072 1,249,999,500 1,188,524,026	41.21% 19.87% 18.89%	Alcantara Family represented by its President, Mr. Tomas I. Alcantara
PCD Nominee Corporation (Fil)	1,143,416,577	18.17%	There are no holders of more than 5% of common shares individually. The clients of the various PCD participants have the power to decide how the shares are to be voted

Name of Senior Management	Number of Direct Shares	Number of Indirect shares/ Through (name of record owner)	% of Capital Stock
Tomas I. Alcantara	1	-	-
Editha I. Alcantara	100,000	-	-
Alejandro I. Alcantara	1	-	-
Jacinto C. Gaviño	1	-	-
Ramon T. Diokno	1	-	-
Carlos G. Dominguez	1	-	-
Jose Ben R. Iaraya	100	-	-
Conrado C. Alcantara	1	-	-
Honorio A. Poblador III	100	-	-
Thomas G. Aquino	100	-	-
Tirso G. Santillan, Jr.	10,406	-	-
Total	110,712	-	-

2) **Does the Annual Report disclose the following:**

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure. *Not applicable*

3) **External Auditor's fee**

Name of auditor	Audit Fee	Non-audit Fee
SyCip, Gorres, Velayo & Co.	P811,519.52	-

4) **Medium of Communication**

List down the mediа of communication that the company is using for disseminating information.

The Company formally disseminates information to its stockholders via the Exchange and the Commission using facsimile transmission, emails, and uploading into the portals of these institutions. The Company also maintains a website that may be accessed by all stockholders and the public.

5) **Date of release of audited financial report**

April 15, 2014 with disclosure to the Philippine Stock Exchange and Securities Exchange Commission under SEC Form 17-A.

6) **Company Website**

Does the company have a website disclosing up-to-date information about the following?

Business operations	*Yes*
Financial statements/reports (current and prior years)	*Yes*
Materials provided in briefing to analysts and media	*Yes*
Shareholding structure	*Yes*
Group corporate structure	*Yes*
Downloadable annual report	*Yes*
Notice of AGM and/or EGM	*Yes*
Company's constitution (company's by-laws, memorandum and articles of association)	*No. The Company's amended Articles of Incorporation and/or By-Laws are available to the public through the Commission. However, any stockholder may request the Company for a copy of the same. These amended Articles of Incorporation and/or By-Laws may also be uploaded into the Company's website as soon as the same shall be re-formatted for easier review by stockholders who will be accessing the site.*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

The Company's amended articles of incorporation and/or by-laws (the Corporation Code does not use the terms "memorandum and articles of association") are available to the public through the Commission. However, any stockholder may request the Company for a copy of the same. These amended articles of incorporation and/or by-laws may also be uploaded into the Company's website as soon as the same are re-formatted for easier review by stockholders accessing the site.

7) **Disclosure of RPT**

RPT	Condition	Nature	Value
Major Stockholders	*Party Secured*	*Advances*	*2,626,965,900*
Subsidiaries of major stockholders	*Unsecured*	*Advances*	*49,654,432*
Affiliates	*Unsecured*	*Advances*	*268,070,204*

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

As provided under the Corporation Code, management obtains the Board's approval before entering into any related party transaction ("RPT"). Thus, the RPT is specifically included in the notice and agenda for the Board meeting, and the Directors are fully informed of each proposed RPT. Moreover, the Directors of the Company who are also directors of the related party with whom the RPT is to be entered (the "inter-locked" Directors) are expressly excluded from the calculation of the quorum of the meeting during whoch the proposed RPT is considered. In the vote for the RPT, the inter-locked Directors are excluded from the voting.

J. RIGHTS OF STOCKHOLDERS

1) **Right to participate effectively in and vote in Annual/Special Stockholders' Meetings**

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

A quorum for any meeting of the stockholders shall consist of a majority of the subscribed stock of the corporation, and a majority of such quorum shall decide any question at the meeting, save and except in those matters where the Corporation Law requires the affirmative vote of a greater proportion.
(Amended By-Laws, Article 3, Section 4, page 10)

(b) Systems Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	*Advice and Ratification*
Description	*Prior to the annual or any special stockholders meetings, a list and summary of corporate acts by the Board and management is prepared and distributed to the stockholders. At the annual or any special stockholders meeting, the Board directs the attention of the stockholders to this list and summary for their review and questions. If there are questions, the Board and management addresses the questions. If there are no further questions, the Chairman specifically asks the stockholders to ratify these acts of management.*

(c) Stockholders's Rights

List any Stockholders' Rights concerning Annual/Special Stockholders's Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
The stockholers have the right, as provided by the Corporation Code and Articles of Incorporation, to, among others, (i) vote on all matters that require the stockholders' consent or approval; (ii) inspect corporate books and records; (iii) information; (iv) dividends; and (v) appraisal of the stockholders' shares.	*Under the Company's By-laws, Articles III, section 2, a stockholder holding of record not less than ⅓ of the outstanding capital stock of the Company may request in writing for a stockholders' meeting and the Board or the President must call for a special stockholders' meeting*

Dividends

Declaration Date	Record Date	Payment Date
May 22, 2015 *May 23, 2014* *March 21, 2013* *May 4, 2012*	*June 5, 2015* *June 30, 2014* *May 23, 2013* *May 16, 2012*	*June 16, 2015* *July 24, 2014* *June 14, 2013* *June 14, 2012*

(d) Stockholders' Participation

(i) **State, if any, the measures adopted to promote stockholder participation in the Annual/ Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.**

Measures Adopted	Communication Procedure
Notice and Full Disclosure	*The Board timely advises the stockholders of the annual stockholders with adequate information meaningfully participate in the meeting. The notice and other materials for the stockholders have reminders of the rights of the stockholders.*

Advise and Ratification	*Prior to the annual or any speical stockholders meetings, a list and summary of corporate acts by the Board and management is prepared and distributed to the stockholders. At the annual or any special stockholders meeting, the Board directs the attention of the stockholders to this list and summary for their review and questions. If there are questions, the Board and management addresses the questions. If there are no further questions, the Chairman specifically asks the stockholders to ratify these acts of management*

2. **State the company policy of asking shareholders to actively participate in corporate decisions regarding:**

a. Amendments to the company's constitution

The articles of incorporation, as amended, is the constitution of the Company. Pursuant to the Corporation Code, section 16, the amendment of the articles required the vote or written assent of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in amending its articles, the Company calls for a stockholders' meeting and asks its shareholders to actively participate in the corporate decision of amending the articles of incorporation or constitution of the Company.

b. Authorization of additional shares

The articles of incorporation, as amended, sets for the number and other details of the shares of the capital stock ofr the Company. Pursuant to the Corporation Code, section 38, the increase in the capital stock requires the vote of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in authorizing additional shares in its capital stock, the Company calls for a stockholders' meeting and asks its shareholders to actively participate in the corporate decision of authorizing shres in the capital stock of the Company.

c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Pursuant to the Corporation Code, section 40, the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's assets requires the vote of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in authorizing such a transfer, the Company calls for a stockholders' meeting and asks its shareholders to actively participate in the corporate decision of transferring all or substantially all of the Company's assets.

3. **Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?**

Yes, giving out notice of Annual Stockholders' Meeting is 23 days as counted from April 20, 2015 to May 22, 2015.

a. Date of sending out notices: *On April 20, 2015, sending out of Notices and Definitive Information Statement in compact disc to all record stockholders was done thru personal delivery using courier service or registered mail.*

b. Date of the Annual/Special Stockholders' Meeting: *May 22, 2015*

4. **State, if any, questions and answers during the Annual/ Special Stockholders' Meeting.**

During the Annual Stockholders' Meeting, a stockholder referred to the previously disclosed fund-raising effort by the Company that did not proceed and asked whether the discontinued fund-raising effort was the cause of the delay of the power project of one of the Company's subsidiaries, Sarangani Energy Company, Inc.

The Company's management replied that it still intended to raise funds for its future projects and that the previously disclosed fund-raising effort was affected, among other factors, with the state of the international capital markets. Sarangani Energy's power project was not delayed by the adjustment in the Company's fund-raising effort because it had its own funding from project debt.

Another stockholder asked whether the Company has a share buy-back program, to which the Company's management replied that it could study such a program.

Another stockholder referred to a news article claiming that the price of the power to be sold by one of the Company's subsidiaries, San Ramon Power, Inc., was more expensive that an alleged competitor and asked if this was true. The Company's management replied that price of power depended on the contruction price for the plant and refuted the claims by alleged competitors without previous experience in constructing and maintaining power plants.

A stockholder asked whether a Japanese company he could not name was still interested in investing in the Company, to which the Chair advised the stockholders of the name of the Japanese company and its continued interest in investing in the Company.

Another stockholder asked whether the shares of one of the Company's subsidiaries, Alsing Power Holdings, Inc., would be listed in the Exchange. The Company's management replied that the Company's power subsidiaries were not listed.

A stockholder asked why the prices of the power to be sold by the Company's subsidiaries were different from each other. The Company's management replied that the Company's subsidiaries had different types of power plants consuming different types of fuel for different uses. After explaining the types of plants, fuel and uses, the Company's management advised that prices of different types of plants will necessarily be different.

Another stockholders referred to the Company's long-term debt and asked whether the same was still manageable, to which the Company's management replied in the affirmative.

A stockholder asked whether the Company had renewable energy projects, to which the Company's management replied that it was studying a hydro-power project in Mindanao.

5. **Result of Annual/Special Stockholders' Meeting's Resolutions**
   May 22, 2015 Annual Stockholders' Meeting

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of Annual Stockholders' Meeting held on May 23, 2014.	Stockholders representing a total of 5,039,239,701 shares of stocks or 80.1% of the Corporation's outstanding shares entitled to vote	None	None
Approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2014		None	None
Ratification of the actions & proceedings of the Board of Directors, different Committees and Management during the year 2014.		None	None
Election of Directors (including Independent Directors)		None	None
Appointment of the External Auditors – Sycip Gorres Velayo & Co.		None	None

6. **Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:** *The results of the annual stockholders' meeting was immediately disclosed to PSE's on line reporting system (PSE Edge Submission System) within the same date of the meeting.*

(e) Modification

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
No modification made in the Annual/Special Stockholders' Meeting regulations during the most recent year.	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	Directors: 1. Tomas I. Alcantara 2. Editha I. Alcantara 3. Alejandro I. Alcantara 4. Tirso G. Santillan, Jr. 5. Ramon T. Diokno 6. Jose Ben R. Laraya 7. Carlos G. Dominguez 8.Honorio A. Poblador, III 9. Jacinto C. Gavino, Jr. 10. Conrado C. Alcantara 11. Thomas G. Aquino Officers: 1. Luis R. Ymson, Jr. 2. Roberto V. San Jose 3. Angel M. Esguerra, III 4. Esperidion D. Develos, Jr.	22 May 2015	By poll one share one vote	0.01%	0.80%	80.1%
Special	*No Special Stockholders' Meeting held during the year.*					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the AASM/SSMs? The Company asks personnel from its stock & transfer agent to act as inspectors to count and/or validate the proxies before the stockholders meeting, and the votes taken, if any, at such meetings.

Yes, Sycip Gorres Velayo & Co. was the appointed Board canvasser, an independent party to count and validate the votes during the Annual Stockholders' Meeting held on May 22, 2015.

(iii) Do the company's common shares carry on vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes. The Company's common shares entitles the holder to one vote that may be exercised in person or by proxy at shareholders' meeting, including the Annual Stockholders' Meeting.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	*Pursuant to the Company's By-Laws, Article III, section 7, every stockholder entitled to vote at any meeting of the stockholders may, so vote by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself, or by his duly authorized attorney in favor of a registered stockholder. No proxy in favor of a third person who is no a bona fide registered stockholder of the Company and no proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the Meeting. The instrument authorizing a proxy to act shall be lodged with the Secretary at least five (5) days before the date of the meeting. No proxy shall be recognized for shares in the names of stockbrokers who are members of the stock exchanges, unless accompanied by the written consent or authorization of their clients authorizing the grant of such proxy or by a certification by the stockbroker that the shares are beneficially owned by him.*
Notary	*If the signature on the proxy is known and recognized by the Secretary, the legal acknowledgment of such a signature is not necessary.*

Submission of Proxy	*The instrument authorizing a proxy to act shall be lodged with the Secretary at least five (5) days before the date of the meeting.*
Several Proxies	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, section B.10, "Where the same stockholder gives two or more proxies, the latest one given is to be deemed to revoke all former proxies."*
Validity of Proxy	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance of proxies, or the validity of the proxy, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*
Proxies executed abroad	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, section B.16, "Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office."*
Invalidated Proxy	*An invalidated proxy shall not be used for the purposes for which it was issued.*
Validation of Proxy	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance, and validation, of proxies, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*
Violation of Proxy	*The Company will comply with the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws, Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations shall be controlling in determining the proper procedure to be followed in the execution and acceptance, and validation, of proxies, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
At the first Board meeting in the calendar year, management recommends to the Board the schedule of activities leading up to, and including, the annual stockholders meeting, which, under the By-laws, Article III, section 1, is held during May of each year. *Notices to stockholders shall comply with the by-laws of the Company, the Corporation Code and the Securities Regulation Code and its implementing rules and regulations.*	*Notices of the time and place of holding any annual meeting, or any special meeting, of the stockholders, shall be given either by posting the same enclosed in a postage prepaid envelope, addressed to each stockholder of record entitled to vote at the address left by such stockholder with the secretary of the Company, or at his last known post-office address, or by delivering the same to him in person or by messengerial service, at least seven (7) days before the date set for such meeting. Every stockholder shall furnish the Secretary with the address at which notices of meetings and all other corporation notices may be served upon or mailed to him, and if any stockholder shall fail to furnish such address, notices may be served upon him by mail directed to him at his last known post-office address. The notice of every special meeting shall state briefly*

	the objects of the meeting, and no other business shall be transacted at such meeting except by consent of all the stockholders of the Company entitled to vote. No notice of any meeting need be published in any newspaper. Failure to give or any defect or irregularity in giving the notice of the annual meeting shall not effect or invalidate the actions or proceedings at such meeting. The stockholders of the Company entitled to vote, may, by unanimous consent in writing, waive notice of the time, place and purpose of any meeting of stockholders and any action taken at a meeting held pursuant to such waiver shall be valid and binding.

(i) Definitive Information statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and other Materials	*481*
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by market participants/certain beneficial owners	*April 20, 2015*
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by Stockholders	*April 20, 2015*
State whether CD format or hard copies were distributed	*Yes*
If yes, indicate whether requesting stockholders were provided hard copies	*Yes*

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up details with only one item.	*Yes*
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorship in other listed companies) nominated for election/re-election.	*Yes*
The auditors to be appointed or re-appointed.	*Yes*
An explanation of the dividend policy, if any dividend is to be declared.	*Yes*
The amount payable for final dividends.	*P0.015 per share*
Documents required for proxy vote	*Yes*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

All the foregoing information are disclosed.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The Board respects the rights of the stockholders as provided by the Corporation	*The Board timely advises the stockholders of the annual stockholders meeting and provides each*

Code and Articles of Incorporation such as rights to (i) vote on all matters that require the stockholders' consent or approval; (ii) inspect corporate books and records; (iii) information; (iv) dividends; and (v) appraisal of the stockholders' shares.	*stockholder with adequate information meaningfully participate in the meeting. The notice and other materials for the stockholders have reminders of the rights of the stockholders.*
As allowed by the Corporation Code, the pre-emptive right of the stockholders has been denied	*The Board timely and duly advises the stockholders when it plans to sell shares of the Corporation to stockholders.*
Transparency and fairness in the conduct of the annual stockholders meetings; encouragement of the stockholders to attend in person; timely notice of right and information on attendance by proxy; no undue restriction on voting by proxy.	*The notice and other materials for the stockholders are internally drafted, revised and reviewed, and then sent to the Commission for comment before distribution to the stockholders. External counsel is consulted on the schedule and content of materials for the annual stockholders' meeting.*

(b) Do minority stockholders have a right to nominate candidates for board of directors? *Yes*

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Corporation recognizes that the essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

Thus, it is essential that all material information about the Corporation that could adversely affect its viability or the interests of the stockholders be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

The members of the senior management all participate in managing the relationships with investors by contributing to the disclosures to the Exchange and/or the press. The Chairman of the Board of Directors, the President, the Executive Vice President, the Chief Finance Officer, and/or the Manager for Communications and Stakeholder Relations all confer with the Compliance Officers in composing, revising and finalizing the form and content of the information disclosed through the appropriate Exchange mechanisms and submissions to the Commission

	Details
(1) Objectives	*Transparency for all internal workings of the Corporation to prevent mismanagement or misappropriation of assets.*
(2) Principles	*All material information about the Corporation that could adversely affect its viability or the interests of the stockholders are publicly and timely disclosed.*
(3) Modes of Communications	*Upon the occurrence of a material event, management prepares disclosure statements to the PSE and press*
(4) Investors Relations Officer	*The members of the senior management all participate in managing the relationships with investors by contributing to the disclosures to the PSE and press.*

3) **What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?**

The Company conducts a rigorous financial, operational, accounting and legal review – with due diligence – of any company control of which it may acquire either through the capital markets or other systems. This due diligence review would begin by amassing any and all publicly available information about such company, then negotiating and executing a confidentiality or non-disclosure agreement with the owners of the company or the company itself. Under the latter, confidential, non-public and proprietary information is obtained to determine the consideration, terms and conditions for the acquisition. Thereafter, an extensive negotiation takes place on the definitive agreement(s) by which control is obtained.

An identical and no less rigorous exercise in conducted in a merger.

In a sale or disposition of substantial assets, the exercise is the same but the flow of confidential, non-public and proprietary information is reversed, with such information being provided by the Corporation to the acquiring company or companies. The Company also negotiates and then executes a confidentiality or non-disclosure agreement with the potential buyer or buyers in preparation for the negotiations over the consideration, terms and conditions for the disposition. Thereafter, an extensive negotiation takes place on the definitive agreement(s) by which the assets are sold.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

In the event of an acquisition, merger and/or sale that requires an evaluation of the fairness of the transaction price, the parties usually agree on an internationally-recognized accounting firm to be the evaluator of the fairness of the transaction price, and the consideration, terms and conditions for such an engagement, as well as the sharing of the firm's consideration.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
The Company continues to reach out to its host communities in coordination with the Conrado and Ledisiswa Alcantara Foundation, Inc. (CLAFI), a non-stock, non-profit entity overseeing the Corporate Social Responsibility (CSR) functions of the Company and the Alcantara Group.	*The communities in Sarangani Province and Zamboanga City in Mindanao where CLAFI establishes an outreach presence benefit from the CSR efforts of the Company, CLAFI, and the Group.*
Direct support through the donation of workbooks; provision of tutoring and mentoring programs, and English review sessions; scholarships for short-term technical-vocational courses, high school and college students; donations of study chairs, computer equipment, and entire school buildings	*Students taking up short-term technical-vocational courses; high school and college students; school districts in need, in cooperation with their respective local government units.*
Reviewing a medical-related CSR project such as an "Adopt a Barangay" program for a public health initiative	*Communities in Sarangani Province and/or Zamboanga City*
Realignment of environment-related CSR projects in ACR's areas of operation; water-related programs in Sarangani, including mangrove reforestation, carbon sequestration, artificial reef installation, watershed protection, and fish restocking in Sarangani Bay.	*Communities along Sarangani Bay in in Sarangani Province*

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/ President.

	Process	Criteria
Board of Directors	*The Board was advised and updated on the self assessment of the annual performance of the Audit Committee as implemented under the Commission's Memorandum Circular N° 4 of 2012. A similar assessment of the Board's annual performance could therefore follow the same pattern as that of the Audit Committee, adjusted to consider the wider powers and responsibilities of the Board.*	*Any self assessment of the annual performance of the Board will likely take into account the wider powers and responsibilities of the Board, the frequency of its meetings, and reiteration or duplication of the assessments of its committees such as the Audit, Executive, Nomination and Compensation Committees.*
Board of Committees	*The self assessment of the annual performance of the Audit Committee as implemented under the Commission's Memorandum Circular N° 4 of 2012. A self assessment or self rating of the annual performance of the Executive, Nomination and Compensation Committees could therefore follow the same pattern as that of the Audit Committee, adjusted to consider the wider powers and responsibilities of the Board.*	*Any self assessment or self rating of the annual performance of the Executive, Nomination and Compensation Committees will likely take into account the divergent powers and responsibilities of these Committees, the frequency of meetings, and the membership of each committee, which may find it necessary to create a charter to be approved by the Board. These charters will be necessary to formulate the criteria against which the committee members can assess or rate themselves.*
Individual Directors	*The draft procedure and schedule for the self assessment or rating of the annual performance of each Director need to be formalized, disseminated and approved by the Board.*	*As set forth in the Company's Revised Manual of Corporate Governance, each Director would assess/rate his/her performance of the following individual duties: (i) fair business transaction with the Company; (ii) Time and attention to duties to the Company; (iii) acting judiciously; (iv) exercising independent judgement; (v) having a working knowledge of the statutory and regulatory requirements affecting the Company; and (vi) observing confidentiality.*
CEO/ President	*The draft procedure and schedule for the self assessment or rating of the annual performance of the CEO/President need to be formalized, disseminated and approved by the CEO/President.*	*As set forth in the Company's Revised Manual of Corporate Governance, the CEO/President would assess/rate his performance of the following individual duties, including, but not limited to, observing the proper checks and balances necessitated by the unification of the positions with a view to getting the benefits of individual vies and perspectives, ensuring that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary; supervising the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of management and the directors; and maintaining qualitative and timely lines of communication and information between the Board and Management.*

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions
Director's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Board of Directors may call the attention of the breaching Director, ask for an explanation and impose the appropriate sanction. The most severe sanction would involve the application of the Corporation Code, section 28.*
Officer's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Board of Directors will call the attention of the breaching Officer, ask him/her to submit an explanation for the breach, and, depending on the Officer's explanation, impose the appropriate sanction, which may include, but shall not be limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevant jurisprudence.*
Employee's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Company will call the attention of the breaching Employee, ask him/her to submit an explanation for the breach, and, depending on the Employee's explanation, impose the appropriate sanction, which may include, but shall not be limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevant jurisprudence.*

This Consolidated Changes in ACGR for 2015 is hereby compiled and published in the Company website, in compliance with the Securities and Exchange Commission (SEC) Memorandum Nos. 1 and 12, Series of 2014, requiring all publicly listed companies to consolidate all the ACGR updates and changes for the year and label the consolidated changes as "Consolidated Changes in ACGR for (year)".

In lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary's Certificate regarding said updates and changes in the ACGR.

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SECRETARY'S CERTIFICATE

I, **ANGEL M. ESGUERRA, III**, of legal age, Filipino, and with office address at 3rd Floor Alsons Bldg., 2286 Chino Roces Avenue, Makati City, Philippines, after having been duly sworn to in accordance with law, hereby depose and say that:

1. I am the Assistant Corporate Secretary of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Company"), a corporation duly organized and existing under Philippine laws, with office address at Alsons Bldg., 2286 Chino Roces Avenue, Makati City, Philippine;

2. As Assistant Corporate Secretary, I have control and custody of all corporate records, including minutes of stockholdres and directors' meetings.

3. I certify that at the Regular Meeting of the Board of Directors' Executive Committee held on 11 December 2015, at which quorum was present and acting throughout, the said Committee reviewed and approved the Company's Annual Corporate Governance Report ("ACGR") with Consolidated Changes for 2015 ("ACGR for 2015"), which contains the changes and updates to the information set forth in the initial ACGR for 2014 filed on 15 April 2015 with the Securities and Exchange Commission (SEC) along with SEC Form 17-A. The Board of Directors' Executive Committee also authorized the posting of the ACGR for 2015 in the Company's website, in order to comply with the requirements of SEC Memorandum Circular No. 12, Series of 2014."

4. This Certificate is submitted in lieu of the notarized signature page of the Consolidated Changes in the ACGR for 2015 of the Corporation and pursuant to SEC Memorandum Circulars No. 1 and 12, Series of 2014.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this DEC 23 2015 at Makati City, Philippines

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 23 2015 at Makati City, affiant exhibiting to me his Tax Identification No. 121-413-569.

Doc. No. 162;
Page No. 34;
Book No. LX;
Series of 2015.

[illegible]
Commission No. M-14
Notary Public for Makati City
Until December 31, 2015
Roll No. 22596
IBP No. 0951733; 01/02/2015; Manila IChapter
PTR No. 4752033; 01/02/2015; Makati City
Unit 304 Guadalupe Commercial Complex
Guadalupe Nuevo, Makati City

Exhibit 1

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
And Years Ended December 31,2015, 2014 and 2013

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

The management of Alsons Consolidated Resources Inc., is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015 and 2014 , including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

TOMAS I. ALCANTARA Chairman and President	**TIRSO G. SANTILLAN, JR.** Executive Vice-President	**LUIS R. YMSON, JR.** Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 1 1 2016 of affiants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date	Place of Issue
Tomas I. Alcantara	PP#EB8610644	07-09-13	DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	02-13-15	LTO Q.C.
Luis R. Ymson, Jr.	PP#EC4476947	06-23-15	DFA NCR South

Doc No. 349
Page No. 73
Book No. II
Series of 2016

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City, Until December 31, 2017
Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
PTR OR No. 5330716; 01/08/16; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

Alsons Consolidated Resources, Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2015 and 2014
and Years Ended December 31, 2015, 2014 and 2013

and

Independent Auditors' Report

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 5 9 3 6 6

COMPANY NAME

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

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

2286 Don Chino Roces Ave. Extension, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	982 - 3000	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
466	05/23	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982-3000	

CONTACT PERSON's ADDRESS

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
2286 Don Chino Roces Ave. Extension
Makati City

We have audited the accompanying consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2015 and 2014, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SGV
Building a better working world

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alsons Consolidated Resources, Inc. and Subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Martin C. Guantes
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-3 (Group A),
August 25, 2015, valid until August 24, 2018
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321643, January 4, 2016, Makati City

March 18, 2016

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 32 and 33)	₱3,939,847,554	₱2,512,383,375
Short-term cash investments (Notes 7, 32 and 33)	172,944,935	34,444,998
Trade and other receivables (Notes 8, 20, 32 and 33)	1,763,100,597	4,008,142,109
Spare parts and supplies - at cost (Note 9)	496,350,993	241,564,024
Real estate inventories (Notes 10 and 18)	636,575,584	642,340,836
Prepaid expenses and other current assets (Notes 15 and 18)	894,177,645	374,818,778
Total Current Assets	7,902,997,308	7,813,694,120
Noncurrent Assets		
Noncurrent portion of installment receivables (Notes 8, 32 and 33)	6,758,473	7,843,712
Investments in real estate (Notes 10 and 18)	1,463,639,767	1,527,215,497
Investments in associates (Note 11)	1,275,633,260	1,218,315,960
Property, plant and equipment (Notes 12, 18 and 19)	15,676,131,842	13,410,542,642
Available-for-sale (AFS) financial assets (Notes 13 and 33)	2,345,573,271	117,040,963
Goodwill (Note 14)	1,052,063,536	1,001,896,049
Net retirement assets (Note 28)	28,746,272	45,200,561
Deferred income tax assets - net (Note 29)	13,690,764	30,268,777
Other noncurrent assets (Note 15)	401,189,408	553,275,105
Total Noncurrent Assets	22,263,426,593	17,911,599,266
TOTAL ASSETS	₱30,166,423,901	₱25,725,293,386
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 16, 32 and 33)	₱1,348,533,548	₱1,464,218,604
Loans payable (Notes 17, 32 and 33)	300,000,017	259,999,978
Income tax payable	64,901,390	120,268,492
Current portion of long-term debt (Notes 18, 32 and 33)	311,720,556	590,427,513
Derivative liability (Notes 18 and 33)	–	27,595,736
Total Current Liabilities	2,025,155,511	2,462,510,323
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 18, 32 and 33)	16,868,288,633	12,348,264,305
Deferred income tax liabilities - net (Note 29)	596,994,524	431,506,243
Retirement benefits liabilities (Note 28)	6,488,611	7,472,680
Asset retirement obligation (Notes 12 and 19)	69,380,652	67,169,574
Total Noncurrent Liabilities	17,541,152,420	12,854,412,802
Total Liabilities	19,566,307,931	15,316,923,125

(Forward)

	December 31	
	2015	2014
Equity (Note 21)		
Capital stock	₱6,318,083,333	₱6,313,683,333
Other equity reserves	1,767,643,490	1,613,004,480
Retained earnings:		
Unappropriated	797,647,185	489,928,413
Appropriated	1,300,000,000	1,700,000,000
Attributable to equity holders of the parent	10,183,374,008	10,116,616,226
Non-controlling interests (Notes 1 and 21)	416,741,962	291,754,035
Total Equity	10,600,115,970	10,408,370,261
TOTAL LIABILITIES AND EQUITY	₱30,166,423,901	₱25,725,293,386

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2015	2014	2013
SALES OF SERVICES:			
Energy fees (Note 34)	₱4,977,252,644	₱5,134,628,826	₱3,289,130,401
Management fees (Note 34)	25,443,600	24,825,460	27,063,025
Rental income (Note 31)	10,724,872	8,643,774	9,827,272
	5,013,421,116	5,168,098,060	3,326,020,698
REAL ESTATE SALES (Note 34)	8,275,233	11,973,028	17,515,916
TOTAL REVENUE	5,021,696,349	5,180,071,088	3,343,536,614
COSTS AND EXPENSES			
Cost of services (Note 22)	(3,065,882,264)	(3,536,933,374)	(1,978,477,036)
Cost of real estate sold (Note 10)	(6,150,862)	(11,396,417)	(19,506,240)
General and administrative expenses (Note 23)	(434,114,967)	(467,312,254)	(362,875,246)
OTHER INCOME (CHARGES)			
Finance charges (Note 26)	(324,360,188)	(206,568,748)	(119,372,797)
Interest income (Note 7)	24,034,525	22,224,257	25,186,522
Other income (charges) - net (Note 27)	(83,857,875)	109,302,563	(48,981,949)
	(3,890,331,631)	(4,090,683,973)	(2,504,026,746)
INCOME BEFORE INCOME TAX	1,131,364,718	1,089,387,115	839,509,868
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 16 and 29)			
Current	272,708,907	345,191,757	294,235,703
Deferred	167,719,203	17,052,091	(24,011,649)
	440,428,110	362,243,848	270,224,054
NET INCOME FROM CONTINUING OPERATIONS	690,936,608	727,143,267	569,285,814
NET INCOME FROM DISCONTINUED OPERATIONS (Note 30)	–	–	196,295,608
NET INCOME	₱690,936,608	₱727,143,267	₱765,581,422
Attributable to:			
Equity holders of the parent:			
Net income from continuing operations	₱188,141,930	₱359,040,865	₱248,925,802
Net income from discontinued operations	–	–	146,348,389
	188,141,930	359,040,865	395,274,191
Non-controlling interests:			
Net income from continuing operations	502,794,678	368,102,402	320,360,012
Net income from discontinued operations	–	–	49,947,219
	502,794,678	368,102,402	370,307,231
	₱690,936,608	₱727,143,267	₱765,581,422
Basic/diluted earnings per share attributable to equity holders of the parent (Note 21)	₱0.030	₱0.057	₱0.063

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
NET INCOME	₱690,936,608	₱727,143,267	₱765,581,422
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss:			
Actuarial gains (losses) and effect of changes in asset ceiling (Note 28)	(4,754,693)	6,796,218	(9,541,943)
Tax effect (Note 29)	2,373,179	(448,297)	1,380,343
	(2,381,514)	6,347,921	(8,161,600)
Items that may be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on fair valuation of AFS financial assets (Note 13)	7,263,540	(86,998,124)	(6,741,009)
Translation adjustments	147,110,294	(54,755,323)	213,527,769
	154,373,834	(141,753,447)	206,786,760
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	151,992,320	(135,405,526)	198,625,160
TOTAL COMPREHENSIVE INCOME	₱842,928,928	₱591,737,741	₱964,206,582
Attributable to:			
Equity holders of the parent:			
Total comprehensive income from continuing operations	₱340,874,763	₱222,381,500	₱413,877,467
Total comprehensive income from discontinued operations	–	–	143,027,095
	340,874,763	222,381,500	556,904,562
Non-controlling interests:			
Total comprehensive income from continuing operations	502,054,165	369,356,241	359,575,463
Total comprehensive income from discontinued operations	–	–	47,726,557
	502,054,165	369,356,241	407,302,020
	₱842,928,928	₱591,737,741	₱964,206,582

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

	Attributable to Equity Holders of the Parent										
	Other Equity Reserves						Retained Earnings (Notes 16 and 21)				
	Capital Stock (Note 21)	Remeasurement Gains (Losses) On Defined Benefit Plan (Notes 23 and 29)	Unrealized Gains (Losses) on AFS Financial Assets (Notes 13 and 21)	Cumulative Translation Adjustments	Equity Reserves - Acquisition of Non-controlling Interest (Note 21)	Total	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interests (Note 1)	Total
BALANCES AS AT DECEMBER 31, 2013	₱6,391,590,000	(₱3,836,291)	₱35,495,598	₱1,093,831,739	₱-	₱1,525,311,046	₱881,779,342	₱850,000,000	₱9,070,586,396	₱2,134,508,415	₱11,205,096,811
Net income	-	-	-	-	-	-	395,274,191	-	395,274,191	370,307,231	765,581,422
Other comprehensive income (loss)	-	5,374,648	(6,741,009)	172,561,983	-	171,195,622	(9,965,251)	-	161,630,371	36,994,789	198,625,160
Total comprehensive income (loss)	-	5,374,648	(6,741,009)	172,561,983	-	171,195,622	385,308,940	-	556,904,562	407,302,020	964,206,582
Issuance of preferred shares	55,000,000	-	-	-	-	-	-	-	55,000,000	-	55,000,000
Subscriptions receivable	(37,216,667)	-	-	-	-	-	-	-	(37,216,667)	-	(37,216,667)
Redemption of preferred shares (Note 1)	-	-	-	-	-	-	-	-	-	(119,115,819)	(119,115,819)
Acquisition of non-controlling interest (Note 21)	-	-	-	308,841,072	145,488,697	454,331,769	-	-	454,331,769	(982,242,166)	(527,910,397)
Disposal of a subsidiary (Note 30)	-	-	-	-	-	-	-	-	-	(468,984,103)	(468,984,103)
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(104,697,336)	-	(104,697,336)	(594,924,355)	(699,621,691)
BALANCES AS AT DECEMBER 31, 2013	6,389,383,333	1,538,357	28,754,589	1,575,834,794	145,488,697	1,750,328,047	1,984,786,946	850,000,000	8,996,898,726	376,545,992	10,373,444,718
Net income	-	-	-	-	-	-	359,040,865	-	359,040,865	368,102,402	727,143,267
Other comprehensive income (loss)	-	3,939,480	(86,998,124)	(54,755,323)	-	(137,823,967)	1,164,602	-	(136,659,365)	1,253,139	(135,405,526)
Total comprehensive income (loss)	-	3,939,480	(86,998,124)	(54,755,323)	-	(137,823,967)	360,205,467	-	222,381,500	369,356,241	591,737,741
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	-	-	4,400,000	-	4,400,000
Redemption of preferred shares (Note 1)	-	-	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	(72,469,702)	(72,469,702)
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(850,000,000)	850,000,000	-	-	-
BALANCES AS AT DECEMBER 31, 2014	6,393,683,333	5,487,837	(58,243,535)	1,520,279,471	145,488,697	1,613,004,488	(105,064,000)	-	(105,064,000)	(381,678,496)	(486,742,496)
Net income	-	-	-	-	-	-	489,938,483	1,700,000,000	30,816,616,226	391,754,835	10,468,370,261
Other comprehensive income (loss)	-	265,176	7,263,548	147,110,294	-	154,639,018	188,141,930	-	188,141,930	302,794,678	690,936,608
Total comprehensive income	-	265,176	7,263,548	147,110,294	-	154,639,018	(8,906,177)	-	152,732,853	(740,513)	151,992,339
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	186,235,753	-	340,874,783	302,054,165	842,928,948
Investment in a subsidiary (Note 1)	-	-	-	-	-	-	-	-	4,400,000	-	4,400,000
Disposal of subsidiaries without lost of control (Note 1)	-	-	-	-	-	-	-	-	-	21,600	21,600
Disposal of a subsidiary through property dividend (Note 1)	-	-	-	-	-	-	-	-	-	12,563,402	12,563,402
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(208,056,231)	-	(208,056,231)	-	(208,056,231)
Reversal of appropriation	-	-	-	-	-	-	(70,460,750)	-	(70,460,750)	(389,651,240)	(460,111,990)
BALANCES AS AT DECEMBER 31, 2015	₱6,398,083,333	₱5,753,013	(₱50,979,987)	₱1,667,389,765	₱145,488,697	₱1,767,643,498	₱797,647,325	₱1,300,000,000	₱10,183,374,060	₱416,741,562	₱10,600,115,970

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax from:			
Continuing operations	₱1,131,364,718	₱1,089,387,115	₱839,509,866
Discontinued operations (Note 30)	–	–	206,465,528
Adjustments for:			
Depletion, depreciation and amortization (Note 25)	348,954,644	814,375,986	706,131,285
Finance charges (Notes 26 and 30)	324,360,188	206,568,748	121,904,845
Unrealized foreign exchange loss (gain) - net (Note 27)	143,965,908	(41,876,979)	83,993,180
Loss (gain) on sale of property, plant and equipment and investments in real estate (Note 27)	35,649,469	360,839	(356,577)
Mark-to-market loss (gain) on derivative liability (Notes 27 and 33)	(27,595,736)	(10,328,044)	16,377,924
Interest income (Notes 7 and 30)	(24,034,525)	(22,224,257)	(27,041,508)
Movements in net retirement assets and retirement benefits liabilities (Notes 24 and 28)	13,088,469	9,096,929	12,370,178
Income from decrease in asset retirement obligation (Note 27)	(5,933,564)	(11,315,962)	–
Recovery of impairment loss on real estate inventories due to sale (Note 10)	(1,112,121)	(3,946,795)	(4,140,694)
Equity in net losses of an associate (Notes 11 and 27)	–	1,279,357	100,920,763
Gain on sale of a subsidiary (Note 30)	–	–	(71,645,698)
Operating lease income based on straight-line amortization of deferred lease	–	–	(1,574,019)
Provisions for impairment of deferred project cost (Notes 15 and 24)	–	–	2,849,457
Operating income before working capital changes	1,938,707,450	2,031,376,937	1,985,764,532
Decrease (increase) in:			
Trade and other receivables	169,064,975	(97,390,460)	(207,900,503)
Real estate inventories	6,877,373	11,022,254	26,815,575
Spare parts and supplies	(254,786,969)	(37,215,015)	(79,405,302)
Prepaid expenses and other current assets	(20,589,716)	(90,436,532)	(6,847,721)
Increase (decrease) in accounts payable and other current liabilities	(118,271,723)	484,196,996	640,559,365
Cash flows generated from operations	1,721,001,390	2,301,554,180	2,358,985,946
Income taxes paid including creditable withholding taxes	(352,781,304)	(325,009,142)	(269,250,511)
Net cash flows from operating activities	1,368,220,086	1,976,545,038	2,089,735,435
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 12)	(1,589,833,820)	(6,645,372,242)	(4,398,985,589)
Investments in associates (Note 11)	(57,317,300)	–	(4,983,000)
Investments in real estate (Note 10)	(559,426)	(50,472,122)	(90,561,841)
Computer software (Note 15)	(60,697)	(16,159,235)	(3,701,167)
Decrease (increase) in:			
Short-term cash investments	(138,499,937)	(25,642,688)	1,049,459,622
Other noncurrent assets	(55,143,340)	(69,478,547)	(97,953,061)

(Forward)

	Years Ended December 31		
	2015	2014	2013
Collections (granting) of advances from (to) related parties	(₱109,853,804)	₱263,323,852	(₱1,209,787,525)
Interest received	23,535,345	21,835,016	28,169,308
Proceeds from disposals of:			
Investment in real estate	23,946,931	–	–
Property, plant and equipment	1,678,359	345,967	2,480,760
Subsidiary, net of cash and cash equivalents acquired (Note 30)	–	–	952,034,210
AFS financial assets	–	–	1,790,769
Net cash flows used in investing activities	(1,902,107,689)	(6,521,619,999)	(3,772,037,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans and long-term debt (Notes 17 and 18)	9,678,853,418	9,690,478,476	4,871,169,729
Payments of:			
Loans and long-term debt (Notes 17 and 18)	(5,428,392,395)	(2,264,117,211)	(555,566,654)
Interest and transaction costs (Note 18)	(1,331,956,527)	(1,178,876,982)	(160,066,907)
Dividends (Note 21)	(456,966,240)	(486,742,496)	(695,588,358)
Increase in interest reserve account	(507,870,487)	(48,153,721)	–
Proceeds from issuance of preferred shares (Note 21)	4,400,000	4,400,000	13,750,000
Cash outflow from redemption of redeemable preferred shares (Note 1)	–	(72,469,702)	(119,115,819)
Acquisition of noncontrolling interest (Note 1)	–	–	(527,910,397)
Net cash flows from financing activities	1,958,067,769	5,644,518,364	2,826,671,594
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,424,180,166	1,099,443,403	1,144,369,515
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,284,013	(9,422,813)	556,394
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 7)	2,512,383,375	1,422,362,785	277,436,876
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱3,939,847,554	₱2,512,383,375	₱1,422,362,785

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Corporate Information

Alsons Consolidated Resources, Inc. (ACR or Parent Company) is a stock corporation organized on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company's ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

The registered office address of ACR is 2286 Don Chino Roces Ave. Extension, Makati City.

The consolidated financial statements include the accounts of ACR and the subsidiaries (collectively referred to as "the Group") listed in the table below:

		Percentage of Ownership			
		2015		2014	
Subsidiaries	Nature of business	Direct	Indirect	Direct	Indirect
Consal Holdings Corporation (CHC)	Investment holding	100.00	–	100.00	–
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	–	55.00	–	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	–	55.00	–	55.00
Alto Power Management Corporation (APMC)	Management services	–	60.00	–	60.00
APMC International Limited (AIL)	Management services	–	100.00	–	100.00
Mapalad Power Corporation (MPC)	Power generation	–	100.00	–	100.00
FGen Northern Power Corp. (FGNPC)	Power generation	–	60.00	–	–
Sarangani Energy Corporation (Sarangani)	Power generation	75.00	–	75.00	–
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	–	100.00	–
Siguil Hydro Power Corporation (Siguil)	Power generation	–	80.00	100.00	–
Kalaong Power Corporation (Kalaong)	Power generation	–	80.00	100.00	–
Alsons Thermal Energy Corporation (ATEC)	Power generation	100.00	–	–	–
San Ramon Power, Inc. (SRPI)	Power generation	100.00	–	100.00	–
Alsons Power International Limited (APIL)	Power generation	100.00	–	100.00	–
Alsons Land Corporation (ALC)	Real estate	99.55	–	99.55	–
ACR Mining Corporation (ACRMC)*	Exploration and mining	9.00	–	100.00	–
MADE (Markets Developers), Inc.	Distribution	80.44	–	80.44	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	–	100.00	–
ACES Technical Services Corporation (ACES)	Management services	100.00	–	100.00	–

**The Parent Company declared its 91% interest in ACRMC as property dividend in 2015. The Group thereafter accounts for its remaining 9% interest in ACRMC as Available-for-sale (AFS) investment.*

SPPC and WMPC are independent power producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC) (see Note 34).

Except for AIL and APIL, which are incorporated in the British Virgin Islands (BVI), all of the subsidiaries are incorporated in the Philippines.

Power and Energy

CHC and Subsidiaries. In July 2014, CHC and SPPC redeemed preferred shares of 178,462 and 483,875, respectively, for a total consideration of ₱232 million ($5.2 million). In February and June 2013, CHC redeemed preferred shares of 319,675 for a total consideration of ₱121 million ($2.86 million). In May 2013, SPPC redeemed preferred shares of 483,874 for a total consideration of ₱157 million ($3.63 million). The redeemed preferred shares were retired and are no longer available for re-issue. The share of the non-controlling interests in the redemptions in 2014 and 2013 is shown below:

	2014			2013		
	Number of Shares	Total Amount	Share of Non-controlling Interests	Number of Shares	Total Amount	Share of Non-controlling Interests
CHC	178,462	₱70,858,798	₱–	319,675	₱120,638,388	₱48,240,147
SPPC	483,875	161,042,877	72,469,702	483,875	157,501,313	70,875,672
		₱231,901,675	₱72,469,702		₱278,139,701	₱119,115,819

The Board of Directors (BOD) of Northern Mindanao Power Corporation (NMPC), a subsidiary under CHC, approved on April 25, 2008 the amendments to NMPC's Articles of Incorporation to shorten its corporate life up to November 15, 2009. After November 15, 2009, NMPC was dissolved. Consequently, NMPC's remaining assets and liabilities have all been transferred to CHC's books as at December 31, 2009. CHC is responsible for the final liquidation of NMPC's net assets and the payment to the non-controlling shareholders. In 2013, CHC has fully liquidated the net distributable assets of NMPC and paid the non-controlling shareholders.

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in the voting shares of CHC, increasing its ownership to 100% (see Note 21).

CHC organized and incorporated MPC on July 13, 2010 as a wholly owned subsidiary to rehabilitate and operate the 103 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II located in Iligan City. On June 27, 2011, ACR acquired full control of MPC through an agreement with CHC, wherein CHC assigned all shares to ACR. The deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. On August 1, 2013, ACR transferred MPC to CHC for a total consideration of ₱0.3 million ($7,781). MPC entered into Power Supply Agreements (PSAs) with various distribution utilities and electric cooperatives (see Note 34c). On September 6, 2013, MPC started operating 98 MW of the 103 MW Bunker-Fired IDPPs. MPC completed the rehabilitation and operates the balance of 5 MW in 2014.

On July 7, 2015, CHC subscribed and paid 60% of FGNPC's outstanding common shares amounting to ₱0.04 million ($832). Investment of non-controlling interest amounted to ₱0.02 million ($459) in 2015.

Sarangani. CHC organized Sarangani on October 15, 2010 as a wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. Sarangani's power-generating project "SM 200" is a coal-fired power plant project with a 210 mega-watts (MW) capacity. SM200 is embedded within the franchised area of South Cotabato II Electric Cooperative, Inc. (SOCOTECO II). The total project cost is ₱13 billion of which ₱4 billion is in the form of equity and ₱9 billion through a syndicated term loan from local banks. In 2009, the Department of Energy and the Department of Environment

and Natural Resources approved the Environmental Compliance Certificate (ECC) application for SM200. The construction of SM 200 will be in two phases. Construction of Phase 1 (105 MW) commenced in 2012 and is expected to be completed in 2016 (see Note 12). Phase 2 (105MW) will follow a year after Phase 1. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all shares to ACR. On December 10, 2012, ACR entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC agreed to subscribe and paid ₱355 million worth of Sarangani shares, representing 25% of the total equity of Sarangani.

Sarangani obtained a ₱9 billion project financing facility from a syndicate of domestic banks to finance the construction of Phase 1 project (see Note 18). As of December 31, 2015, the total project cost of the power plant is estimated at ₱14 billion.

SRPI. The Parent Company organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its ECC on March 20, 2012 for the planned 105MW coal fired power plant to be located in Zamboanga Ecozone. SRPI's expected construction of the power plant that was previously forecasted to commence in the later part of 2013, has been deferred at a later time. The total project cost is estimated at ₱13 billion. As at March 18, 2016, SRPI has not yet started the construction of the power plant.

AREC and Subsidiaries. The Parent Company organized and incorporated Siguil Hydro Power Corporation (Siguil) and Kalaong Power Corporation (Kalaong) on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 17MW Hydro Power Project is in Maasim Sarangani while Kalaong's 22MW Hydro Power Project is in Bago, Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed. As at March 18, 2016, Siguil and Kalaong have not yet started commercial operations.

On September 18, 2014, the Parent Company organized AREC primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources with total capital infusion amounting to ₱31 million.

On July 10, 2015, the Parent Company and AREC executed an assignment of share agreement wherein the Parent Company assigned and transferred its ownership interests in Siguil and Kalaong to AREC. Accordingly, Siguil and Kalaong became wholly owned subsidiaries of AREC. The Group recognized increase in non-controlling interests by ₱13 million in 2015 due to the reduction in the Parent Company's interest in AREC from 100% in 2014 to 80% in 2015.

ATEC. On November 23, 2015, the Parent Company organized and incorporated ATEC as a wholly owned subsidiary. ATEC was incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. As at March 18, 2016, ATEC has not yet started commercial operations.

Property Development

ALC. On November 25, 1994, the Parent Company incorporated ALC to acquire, develop, sell and hold for investment or otherwise, real estate of all kinds, sublease office spaces and manufacture door and house frames.

KAED. On September 3, 2010, the Parent Company incorporated KAED to establish, develop, operate and maintain an agro-industrial economic zone and provides the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, waste management system, pollution control device, communication facilities and other facilities as may be required for an agro-industrial economic zone. As at March 18, 2016, KAED has not yet started commercial operations.

Other Investments

MADE. MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at March 18, 2016, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACES. The Parent Company organized and incorporated ACES on July 7, 2011 primarily to provide operations and maintenance services to the Company's coal power plants (see Note 34). As at March 18, 2016, ACES has not yet started commercial operations.

ACRMC. In 2007, the Parent Company infused capital in ACRMC amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), stockholder of Parent Company, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the province of Compostela Valley (see Note 15). On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau.

In May 2015, the Parent Company declared its 91% investment in ACRMC as property dividend amounting to ₱208 million. The Parent Company's remaining 9% interest in ACRMC amounting to ₱21 million is recognized as AFS financial asset (see Note 13).

Approval and Authorization for the Issuance of the Consolidated Financial Statements

The consolidated financial statements upon recommendation for approval by the Audit Committee on March 10, 2016, were authorized for issue by the BOD on March 18, 2016.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Parent Company.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated balance sheet at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) as issued by the Financial Reporting Standards Council (FRSC). PFRS includes statements named PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by FRSC.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 of each year (see Note 1).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

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

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as those of the Parent Company.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling interests represent the portion of profits or losses and net assets of subsidiaries not held by the equity holders of the Parent Company and are presented separately in the consolidated statement of income and comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to the equity holders of the Parent Company.

Material Partly-Owned Subsidiaries

The tables below show details of materially partly-owned subsidiaries of ACR through CHC or directly owned entity:

Name of Subsidiary	Place of Incorporation and Operation	Principal Activity	Proportion Ownership Interest and Voting Rights Held by Non-controlling Interests		
			2015	2014	2013
SPPC	Philippines	Power generation	45%	45%	45%
WMPC	Philippines	Power generation	45%	45%	45%
Sarangani	Philippines	Power generation	25%	25%	–*

Not yet considered as material partly-owned subsidiary since there were no significant construction developments yet

The summarized financial information in respect of the subsidiaries that have material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-group eliminations.

Summarized balance sheets as at December 31, 2015 and 2014 are as follows:

	December 31					
	2015			2014		
	SPPC	WMPC	Sarangani	SPPC	WMPC	Sarangani
	(Amounts in Thousands)					
Current assets	₱529,902	₱1,256,744	₱1,225,670	₱422,425	₱993,052	₱1,457,842
Noncurrent assets	351,948	414,139	13,203,612	369,432	482,484	11,158,550
Current liabilities	(123,326)	(366,259)	(1,522,995)	(160,232)	(351,902)	(572,040)
Noncurrent liabilities	(69,638)	(93,108)	(8,939,088)	(112,247)	(59,209)	(8,392,884)
Equity	₱688,886	₱1,311,516	₱3,967,199	₱519,378	₱1,064,425	₱3,651,468
Equity attributable to:						
Equity holders of the parent	₱378,887	₱721,334	₱2,975,399	₱284,598	₱573,981	₱2,738,601
Non-controlling interests	309,999	590,182	991,800	234,780	490,444	912,867
	₱688,886	₱1,311,516	₱3,967,199	₱519,378	₱1,064,425	₱3,651,468

Summarized statements of comprehensive income for each of the three years in the period ended December 31, 2015 are as follows:

	2015			2014			2013	
	SPPC	WMPC	Sarangani	SPPC	WMPC	Sarangani	SPPC	WMPC
	(Amounts in Thousands)							
Revenue and other income	₱742,145	₱1,485,698	₱17,717	₱745,196	₱1,445,099	₱13,877	₱714,345	₱1,381,296
Expenses	(278,933)	(503,644)	(6,586)	(400,708)	(634,861)	(19,481)	(427,309)	(635,044)
Provision for income tax	(97,892)	(207,776)	–	(80,552)	(185,770)	–	(75,779)	(182,405)
Net income (loss)	365,419	774,278	11,131	263,936	624,468	(5,604)	211,257	563,847
Other comprehensive income (loss)	(359)	2,268	–	300	1,490	–	(721)	(509)
Total comprehensive income (loss)	₱365,051	₱776,546	₱11,131	₱264,236	₱625,958	(₱5,604)	₱210,536	₱563,338

	2015			2014			2013	
	SPPC	WMPC	Sarangani	SPPC	WMPC	Sarangani	SPPC	WMPC
Total comprehensive income (loss) attributable to:								
Equity holders of the parent	₱200,778	₱427,100	₱8,348	₱145,330	₱344,277	(₱4,203)	₱115,790	₱309,821
Non-controlling interests	164,273	349,446	2,783	118,906	281,681	(1,401)	94,746	253,517
	₱365,051	₱776,546	₱11,131	₱264,236	₱625,958	(₱5,604)	₱210,536	₱563,338

Summarized statements of cash flows for each of the three years in the period ended December 31, 2015 are as follows:

	2015			2014			2013	
	SPPC	WMPC	Sarangani	SPPC	WMPC	Sarangani	SPPC	WMPC
				(Amounts in Thousands)				
Operating	₱467,480	₱1,034,800	(₱111,076)	₱554,147	₱1,025,743	(₱47,124)	₱499,799	₱1,115,025
Investing	(42,501)	64,841	(2,008,205)	(8,918)	(350,963)	(7,016,723)	69,079	116,137
Financing	(326,469)	(822,323)	1,696,358	(522,776)	(824,947)	7,904,667	(528,079)	(965,325)
Net increase (decrease) in cash and cash equivalents	₱138,510	₱277,318	(₱422,923)	₱22,453	(₱149,789)	₱840,820	₱40,799	₱265,837
Dividends paid to non-controlling interests	₱122,850	₱266,175	₱-	₱120,744	₱261,612	₱-	₱119,867	₱319,644

3. Changes in Accounting Policies and Disclosures

New Standards and Interpretations Issued and Effective as at January 1, 2015
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2015.

The nature and impact of each new standard and amendment is described below:

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments) PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRSs (2010-2012 cycle)
These improvements are effective from July 1, 2014 and the Group has applied these amendments for the first time in the consolidated financial statements. These amendments are either not relevant or have no impact on the Group's consolidated financial statements.

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
- PAS 24, *Related Party Disclosures - Key Management Personnel*

Annual Improvements to PFRSs (2011-2013 cycle)
These improvements are effective from July 1, 2014 and the Group has applied these amendments for the first time in the consolidated financial statements. These amendments are either not relevant or have no impact on the Group's consolidated financial statements:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
- PFRS 13, *Fair Value Measurement - Portfolio Exception*
- PAS 40, *Investment Property – Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property*

Standards Issued but not yet Effective
The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Deferred

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have significant impact on the consolidated financial statements of the Group.

Effective January 1, 2016

- Amendments to PAS 1, *Presentation of Financial Statements - Disclosure Initiative*, clarifies the materiality requirements as shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions. The amendments also clarify that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated and entities have flexibility as to the order in which they present the notes to financial statements. In addition, the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. For additional subtotals presented in the statement of profit or loss and other comprehensive income, line items should be presented to reconcile any such subtotals with the subtotals or totals currently required in PFRS for such statement.

  The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS, does not affect recognition and measurement, and facilitate enhanced disclosure effectiveness. The amendments are effective

for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have significant impact on the consolidated financial statements.

- PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception* (Amendments), clarifies the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity ("IE") that measures all of its subsidiaries at fair value. The amendments also clarify that only a subsidiary of an IE that is not an IE itself and that provides support services to the IE is consolidated. In addition, it allows an investor, when applying the equity method, to retain the fair value measurement applied by the IE associate or joint venture to its interests in subsidiaries.

  The amendments are intended to provide helpful clarifications that will assist preparers in applying the standards more consistently. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments). The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PFRS 14, *Regulatory Deferral Accounts*. PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive

income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments). The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments). The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*. The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*. PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*. This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*. This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report"*. The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- PFRS 9, *Financial Instruments*. In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 (2009,2010 and 2013) is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 is not expected to have a significant impact on the Group's consolidated financial statements.

- International Financial Reporting Standard (IFRS) 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

Effective January 1, 2019

- IFRS 16, *Leases*. On January 13, 2016, the IASB issued its new standard, IFRS 16, which replaces International Accounting Standard (IAS) 17, Leases, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently will depreciate the leased assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of twelve months or less or for which the underlying asset is of low value are exempted for these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2015 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated balance sheets based on current or noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. Also, fair values of financial and non-financial instruments are disclosed in Note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Cash and Cash Equivalents
Cash include cash on hand and in banks. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and are subject to an insignificant risk of change in value.

Short-term Cash Investments
Short-term cash investments are short-term, highly liquid investments that are convertible to known amounts of cash with original maturities of more than three months but less than one year from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition
The Group recognizes a financial asset in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. Derivatives are recognized on a trade date basis.

Initial recognition of financial instrument
Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at fair value through profit or loss (FVPL), the initial measurement of financial instruments includes transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

"Day 1" difference
Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Categories of Financial Instruments
The Group classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Group has no HTM investments as at December 31, 2015 and 2014.

Financial assets and liabilities at FVPL
Financial assets and liabilities at FVPL include financial assets and liabilities held for trading and financial assets designated upon initial recognition as at FVPL and derivative instruments.

Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments or a financial guarantee contract.

Financial assets and liabilities may be designated by management at initial recognition as at FVPL when any of the following criteria is met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Included in this category is the Group's derivative liability as of December 31, 2014.

Loans and receivables
Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Gains and losses are recognized in the consolidated statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Included in this category are the Group's cash and cash equivalents, short-term cash investments, trade and other receivables, and refundable deposits (included as part of "Other noncurrent assets" account).

AFS financial assets
AFS financial assets are nonderivative financial assets that are designated as such or are not classified as financial assets at FVPL, HTM investments or loans and receivables. These are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the consolidated statement of comprehensive income until the investment is derecognized or determined to be

impaired, at which time the cumulative gain or loss is recognized in the consolidated statement of income.

When the AFS financial asset is disposed of, the cumulative unrealized gain or loss previously recognized in equity is recognized as "Realized gain (loss) on AFS financial assets" in the consolidated statement of income. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in first-out basis. Dividends earned on holding AFS financial assets are recognized in the consolidated statement of income as "Dividend income" when the right to the payment has been established. The losses arising from impairment of such investments are recognized as "Impairment loss on AFS financial assets" in the consolidated statement of income.

Included in this category are the Group's investments in quoted and unquoted equity securities.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or designated as FVPL upon inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

These include liabilities arising from operations (e.g., accounts payable and accrued liabilities, excluding withholding taxes and other taxes payable to government agencies) and loans and borrowings. All loans and borrowings are initially recognized at fair value less debt issue costs associated with the borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and debt issue costs that are an integral part of the effective interest rate method. Gains and losses are recognized in consolidated statement of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are shown as a contra account against long-term debt and are amortized over the terms of the related borrowings using the effective interest rate method.

The portion of the debt issue costs attributable to the undrawn portion is deferred and is being amortized over the commitment period on a straight-line basis. However, if it is probable at inception that the facility will be utilized, the debt issue cost will be amortized over the term of the related borrowings using the effective interest rate method. Debt issue costs pertaining to current portion of the long-term debt are classified as current liabilities; otherwise, these are classified as noncurrent liabilities.

These include liabilities arising from operations or borrowings. The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any related premium, discount and any directly attributable transaction costs. Any effects of restatement of foreign currency-denominated liabilities, if any, are recognized in the consolidated statement of income.

Included in this category are the Group's accounts payable and other current liabilities, loans payable and long-term debt.

Derivative Financial Instruments
A derivative is a financial instrument or other contract with all three of the following characteristics:

a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract (sometimes called the "underlying");
b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and,
c. it is settled at a future date.

Derivative instruments (including bifurcated embedded derivatives) are initially recognized at fair value on the date in which a derivative transaction in entered into or bifurcated, and are subsequently re-measured at fair value. Changes in fair value of derivative instruments not accounted for as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Embedded derivatives
The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid or combined instrument is not measured at fair value with changes in fair value reported in the consolidated statement of income. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded, the host contract or both have changed and whether the change is significant relative to the previously expected cash flows on the contract.

The Group has embedded derivative arising from its long-term debt which are required to be bifurcated.

Classification of Financial Instruments Between Debt and Equity
A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Derecognition of Financial Assets and Liabilities

Financial assets

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

- the Group's right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial liability

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

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk

characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the consolidated statement of income. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is presented as "Gain on recovery of bad debts" under other income (charges) in the consolidated statement of income.

AFS financial assets
In the case of equity investments classified as AFS, impairment would include a significant or prolonged decline in the fair value of the investments below its cost. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment loss, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income - is removed from OCI and recognized in profit or loss. Impairment losses on equity investments are not reversed in the consolidated statement of income. Increases in their fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Spare Parts and Supplies
Spare parts and supplies are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the current replacement cost.

When the circumstances that previously caused the spare parts and supplies to be written down below cost no longer exist, or when there is clear evidences of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed. The reversal cannot be greater than the amount of the original write-down.

Real Estate Inventories
Real estate inventories representing real estate opened up for sale are carried at the lower of cost and net realizable value (NRV). The cost includes acquisition cost of the land, direct development cost incurred, including borrowing costs and any other directly attributable costs of bringing the assets to its intended use. NRV is the estimated selling price in the ordinary course of business, less estimated cost to sell. A write-down of inventories is recognized in profit or loss when the cost of the real estate inventories exceeds its NRV.

Investments in Real Estate
Investments in real estate comprise land, building and improvements which are not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. Cost includes acquisition cost of the land and any other directly attributable costs of bringing the asset to its intended use.

Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and impairment loss. Land is carried at cost less any impairment in value.

Building and improvements are depreciated using the straight-line method over estimated useful life of five years to 15 years.

Investments in real estate are derecognized when either these have been disposed of or when the investment in real estate is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment in real estate are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investments in real estate when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investments in real estate when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investments in real estate at the date of change in use.

Investments in Associates
An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

The consideration made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in associates are accounted for under the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associate. The consolidated statement of income reflects the Group's share of the financial performance of the associates. Unrealized gains and losses from transactions with

the associates are eliminated to the extent of the Group's interest in the associates. The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

An investment in an associate is accounted for using the equity method from the date when it becomes an associate. On acquisition of the investment, any difference between the cost of the investment and the investor's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for as follows:

a. goodwill relating to an associate is included in the carrying amount of the investment. However, amortization of that goodwill is not permitted and is therefore not included in the determination of the Group's share in the associate's profit or losses.
b. any excess of the Group's share in the fair value of the associate's identifiable assets, liabilities, and contingent liabilities over the cost of the investment is included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Also, appropriate adjustments to the Group's share of the associate's profit or loss after acquisition are made to account , if any, for the depreciation of the depreciable assets based on their fair values at the acquisition date and for impairment losses recognized by the associate, such as for goodwill or property, plant and equipment.

When the Group's interest in an investment in associate is reduced to zero, additional losses are provided only to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the investee that the Group has guaranteed or otherwise committed. If the associate subsequently reports profits, the Group resumes recognizing its share of the profits if it equals the share of net losses not recognized.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with PAS 39 from that date, provided the associate does not become subsidiary or a joint venture. Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Property, Plant and Equipment

Property, plant and equipment (except land) is stated at cost, net of accumulated depreciation and amortization and accumulated impairment losses, if any. Such cost includes the cost of replacing the part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is carried at cost less any impairment losses.

Property, plant and equipment are depreciated and amortized using the straight-line method over their expected economic useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

The components of the power plant complex and their related estimated useful lives are as follows:

	Number of Years
Main engine	12 - 18 years
Plant mechanical, electrical, switchyard and desulfurization equipment	18 years
Plant structures and others	18 years

Other property, plant and equipment are depreciated and amortized using the straight-line method over the following estimated useful lives:

	Number of Years
Buildings	10–25 years
Leasehold improvements	2–5 years or term of the lease, whichever period is shorter
Machinery and other equipment:	
Power and water facilities	7–30 years
Machinery and equipment	5–10 years
Office furniture, fixtures and equipment	3–5 years
Transportation and office equipment	2–5 years

Construction in progress represents properties under construction and is stated at cost. Cost includes cost of construction and other direct costs. Construction in progress is depreciated when the asset is available for use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the property, plant and equipment (difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income in the period the property, plant and equipment is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end, and adjusted prospectively if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method.

Initial measurement
The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs incurred such as finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department or business development offices are expensed and included as part of "General and administrative expenses" account in the consolidated statement of income.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS 39 is measured at fair value with the changes in fair value recognized either in the consolidated statement of income or as a change to other comprehensive income. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with appropriate PFRS. Contingent consideration that is classified as equity is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to these provisional values because of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if the asset, liability or contingent liability's fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

Subsequent measurement
Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's format determined in accordance with PFRS 8, *Operating Segments*.

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

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized as income or loss in the consolidated statement of income.

Computer Software
Computer software (included as part of "Other noncurrent assets" account) is initially recognized at cost. Following initial recognition, computer software is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The software cost is amortized on a straight-line basis over its useful economic life of three (3) years and assessed for impairment whenever there is an indicator that the computer software may be impaired. The amortization commences when the computer software is available for use. The amortization period and method for the computer software are reviewed at each reporting date. Changes in the expected useful life is accounted for by changing the amortization period as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income.

Deferred Project Costs
Deferred project costs (included as part of "Other noncurrent assets" account) are costs incurred by the Group on certain on-going projects. These are stated at cost, net of accumulated impairment losses, if any.

Mining Rights
Mining rights (included as part of "Other noncurrent assets" account as at December 31, 2014) are stated at cost less any accumulated depletion and any accumulated impairment losses. The cost of the mining rights includes the purchase price, fees, licenses directly related to the quarry and other similar payments to third parties. Mining rights are not yet subject to depletion until actual extraction of mineral reserves. Depletion of the mining rights is computed using the unit-of-production method. Mining rights are charged to current operations in the year these are determined to be worthless.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists and when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less cost to sell or its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by

valuation multiples and other available fair value indicators. Any impairment loss is recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The Group determines whether it is necessary to recognize an additional impairment loss on the Group's investments in associates after application of the equity method. The Group determines at each balance sheet date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the investment in associate and the acquisition cost (adjusted for post-acquisition changes in the Group's share of the financial performance of the associates) and recognizes the difference in the consolidated statement of income.

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

Redeemable Preferred Shares
In determining whether a preferred share is a financial liability or an equity instrument, the Group assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. A preferred share that provides for mandatory redemption by the Group for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the Group to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Redeemable preferred shares is presented as equity when the option for redeeming the redeemable preferred shares is at the issuer's discretion and the price of redemption is to be decided by the BOD.

Retained Earnings
Retained earnings include accumulated profits attributable to the equity holders of the Parent Company reduced by dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Cash Dividend and Noncash Distribution to Equity Holders of a Parent
The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the BOD. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of income.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and sales taxes. The following specific recognition criteria must also be met before revenue is recognized:

Energy fees
Revenue from the long-term ECAs under the Build-Operate-Own arrangements for SPPC and WMPC consists of fixed capacity, operation and maintenance fees, infrastructure fee and variable energy fee. Revenues from fixed capacity, operation and maintenance fees, and infrastructure fee are recognized on a straight-line basis over the term of the ECA. Revenue from variable energy fee is recognized upon delivery of the power to NPC. Billings to NPC are denominated either in US dollar or Philippine peso in accordance with the ECAs.

Sale of real estate
Revenue from sales of real estate and cost from real estate projects is accounted for using the full accrual method. Under this method, revenue is recognized in full when 25% of sales are collected in the year of sale.

However, where the Group has material obligations under the sales contract to complete the project after the property is sold, the percentage-of-completion method is used to recognize income from sales of projects. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Any excess collections over the recognized receivables are included in the "Accounts payable and other current liabilities" account in the consolidated balance sheet.

Rental income
Revenue is recognized on a straight-line method over the term of the lease agreements.

Management fees
Revenue from management services is recognized as the services are rendered in accordance with the terms of the agreements.

Interest income
Income is recognized as the interest accrues.

Costs and Expenses
Costs and expenses are recognized in the consolidated statement of income when a decrease in future economic benefit related to a decrease of an asset or an increase of a liability has arisen that can be measured reliably. Costs and expenses are recognized in the consolidated statement of income on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated balance sheet as an asset.

Retirement Benefits

The Group, excluding SPPC, WMPC and APMC, has an unfunded, noncontributory defined benefit retirement plan covering all qualified employees. SPPC, WMPC, and AMPC have a funded, noncontributory defined benefit retirement plan covering all qualified employees. The Group's obligation and costs of retirement benefits are actuarially computed by professionally qualified independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which these occur in other comprehensive income.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as part of retirement cost in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date or whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:
(a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
(c) there is a change in the determination of whether fulfillment is dependent on a specified asset; or
(d) there is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Fixed lease payments are recognized as expense in the consolidated statement of income on a straight-line basis while the variable rent is recognized as expense based on terms of the lease contract.

Group as lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as rental income in the consolidated statement of income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Foreign Currency-denominated Transactions and Translations

Transactions denominated in foreign currency are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at the balance sheet date. Nonmonetary items denominated in foreign currency are translated using the exchange rates as at the date of initial transaction. All exchange rate differences are taken to the consolidated statement of income.

The assets and liabilities of subsidiaries (CHC and its subsidiaries, except MPC and FGNPC) whose functional currency is U.S. dollar are translated into Philippine peso at the rate of exchange prevailing at the reporting date and their statement of income are translated at exchange rate at the date of the transactions. The exchange rate differences arising on the translation are recognized

under "Translation adjustment" account in the consolidated statement of comprehensive income. On disposal of these subsidiaries, the component of other comprehensive income relating to that particular subsidiary is recognized in the consolidated statement of income.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs not qualified for capitalization are expensed as incurred.

Taxes

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

The Group accounts for its income tax based on its reported income for the period using deferred taxation on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using the liability method.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable income; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO). Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of excess MCIT over RCIT and NOLCO can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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

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

Income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Value-added tax
Revenue, expenses, assets and liabilities are recognized net of the amount of value-added tax (VAT), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of "Input VAT" or "Accounts payable and other current liabilities" in the consolidated balance sheet.

Input VAT income
Input VAT income represents the excess of the allowable input tax sales of goods and service to the Philippine government, through NPC, of SPPC and WMPC over the actual input tax from purchases.

Provisions
General
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense.

Asset retirement obligation
The asset retirement obligation arose from the Group's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific

to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount. If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statement of income.

Basic/Diluted Earnings Per Share
Basic/diluted earnings per share (EPS) is determined by dividing net income by the weighted average number of shares issued and outstanding after giving retroactive adjustment for any stock dividends and stock splits declared during the period. The Group has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted earnings per share.

Business Segments
The Group is organized and managed separately according to the nature of business. The Group conducts majority of its business activities into two major business segments: (1) Energy and Power and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments".

Segment assets and liabilities
Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, short-term cash investments, trade and other receivables, investments in real estate and real estate inventories, and property, plant and equipment, net of allowances and provision. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities. Segment assets and liabilities do not include deferred income taxes, investments and advances, and borrowings.

Inter-segment transactions
Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

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

Discontinued Operations
A disposal group qualifies as discontinued operations if it is:

- a component of the Group that is a CGU or a group of CGUs
- classified as held for sale or distribution or already disposed in such a way, or
- a major line of business or major geographical area.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of income.

Additional disclosures are provided in Note 30. All other notes to the consolidated financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

Events After the Reporting Period
Post balance sheet date events that provide additional information about the Group's financial position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post balance sheet date events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at end of reporting period, giving due consideration to materiality.

The uncertainties inherent in these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying value of the assets or liabilities affected in the future years. The effect of any change in judgments, estimates and assumptions are reflected in the consolidated financial statement as they become reasonably determinable. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be determinable under the circumstances.

Management believes the following represent a summary of these significant judgments, estimates and assumptions and related impact and associated risks in the consolidated financial statements.

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

Determination of functional currency
On a consolidated basis, the Group follows the functional currency of the Parent Company which is the Philippine peso. The Parent Company and its subsidiaries determine their own functional currency based on the economic substance of the underlying circumstances relevant to each entity in the Group. CHC and its subsidiaries, except MPC and FGNPC, have assessed that their functional currency is the U.S. dollar.

Revenue recognition
The Group assesses its revenue against specific criteria in order to determine if it is principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Classification of investment in an associate
In prior years, the Parent Company exercised significant influence on its interest in Indophil Resources, NL (IRNL) despite owning less than 20% interest by virtue of an Agreement for the Joint Voting of IRNL shares entered into with Alsons Prime Investment Corporation (APIC) and Alsons Corporation (Alcorp), companies under the Alcantara Group, through the Alcantara

Group's representation in the BOD of IRNL. Accordingly, the Parent Company accounted for its investment in IRNL as part of "Investments in associates" with carrying value amounting to ₱1,213 million as at December 31, 2014 (see Note 11).

In 2015, the Parent Company acquired an interest in Indophil Resources Philippines, Inc. (IRPI) through the swap of its interest in IRNL with an interest in IRPI. While the Parent Company holds less than 20% interest in IRPI, the Parent Company assessed that it exercises significant influence over IRPI in 2015 because of its representations in the BOD of IRPI and representations in the BOD and Operating Committee of the operating subsidiary of IRPI. Accordingly, the Parent Company accounts for its investment in IRPI as part of "Investments in associates", with carrying value amounting to ₱1,213 million as at December 31, 2015 (see Note 11).

Determining whether an arrangement contains a lease and proper classification of the lease
The ECAs qualify as leases on the basis that the Group sells all its output to NPC. The agreements call for a take or pay arrangement where payments are made on the basis of the availability of the power plant complex and not on actual deliveries. The lease arrangements are determined to be operating leases where significant portion of the risks and rewards of ownership are retained by the Group. Accordingly, the power plant complex is recorded as part of property, plant and equipment and the fees billed to NPC are recorded as revenue on a straight-line basis.

Operating lease commitments - Group as lessor
The Group has entered into a lease of its property. The Group has determined that it retains all significant risks and rewards of ownership of the property as the Group considered, among others, the length of the lease term as compared with the estimated useful life of the assets and accounts for the lease as an operating lease.

Distinction between real estate inventories and investments in real estate
The Group determines whether a property will be classified as real estate inventories or investments in real estate as follows:

- Real estate inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

- Investments in real estate comprise land and building which are not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The carrying values of the Group's investments in real estate and real estate inventories amounted to ₱1,464 million and ₱637 million, respectively, as of December 31, 2015 and ₱1,527 million and ₱642 million, respectively, as of December 31, 2014 (see Note 10).

Classification of financial instruments
If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation and when the Group is required to settle its obligation under conditions that are potentially unfavorable to the Group and will require delivery of variable number of the Group's own equity shares, the obligation meets the definition of a financial liability.

The Parent Company continually assesses the classification of the redeemable preferred stock. If the redeemable preferred stock ceases to have all the features or meet all the conditions set out to be classified as equity, the Parent Company will reclassify it as a financial liability and measure it at fair value at the date of reclassifications, with any differences from the carrying amount recognized in equity.

The Parent Company assessed that its preferred stock met all the features or conditions set out to be classified as equity. On February 4, 2013, all of the Parent Company's preferred shares have been subscribed by Alcorp (see Note 21).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial assets and liabilities

PFRS requires certain financial assets and financial liabilities to be carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology. Changes in assumptions could affect the reported fair value of the financial assets and liabilities.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are discussed in Note 33.

Estimation of allowance for impairment losses

The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts. These factors include, but not limited to, the age and status of receivable, the length of relationship with the customers, the customer's payment behavior and known market factors. Accounts that are specifically identified to be potentially uncollectible are provided with adequate allowance through charges to income in the form of provision for impairment losses. The review is made by management on a continuing basis to identify accounts to be provided with allowance. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated.

In addition to specific allowance against individually significant receivables, the Group also makes a collective impairment allowance against exposures which have a greater risk of default than when originally granted. This collective allowance is based on historical loss experience.

The carrying values of trade and other receivables (including noncurrent portion of installment receivables) amounted to ₱1,770 million and ₱4,016 million as at December 31, 2015 and 2014, respectively. Allowance for impairment losses amounted to ₱80 million as at December 31, 2015 and 2014 (see Note 8).

Estimation of NRV of inventories

Inventories are valued at the lower of cost and NRV. For spare parts and supplies, allowance for inventory obsolescence and losses are maintained at a level considered adequate to provide for potentially nonvaluable items. The level of allowance is based on the turnover/movement of specific inventories and other physical factors affecting usefulness of specific inventories.

For real estate inventories, determining the fair value requires the determination of cash flows from the expected sale of the asset less cost of marketing. The determination of fair value requires the Group to make estimates and assumptions that may materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material impact on the Group's financial position and performance.

The carrying values of spare parts and supplies amounted to ₱496 million and ₱242 million as at December 31, 2015 and 2014, respectively (see Note 9). The carrying values of real estate inventories amounted to ₱637 million and ₱642 million as at December 31, 2015 and 2014, respectively (see Note 10).

Estimation of useful lives of property, plant and equipment
The useful lives of the property, plant and equipment is estimated based on the period over which the property, plant and equipment are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimated useful lives of property, plant and equipment are reviewed periodically and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. It is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the carrying values of the property, plant and equipment.

In 2014, management assessed that the useful life of components of certain power plant complexes will be extended for another 10 years after the ECA period. However, in 2015, management re-assessed that the useful life of these power plant complexes will be extended to 17 years after the ECA period. Impact on the 2015 depreciation expense and the estimated impact on future annual depreciation expense are as follows (amounts in millions):

Years ended December 31	Increase (Decrease)
2015	(₱472)
2016	(12)
2017 until 2020	55
2021 until 2025	51
2026 until 2032	8

The carrying values of property, plant and equipment amounted to ₱15,676 million and ₱13,411 million as at December 31, 2015 and 2014, respectively (see Note 12).

Impairment of AFS financial assets
The Group treats AFS financial asset as impaired when there has been a significant or prolonged decline in fair value below its cost or whether an objective evidence of impairment exist. The determination of "significant" and "prolonged" requires judgment. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price of the instrument and future cash flows.

The carrying value of AFS financial assets amounted to ₱2,346 million and ₱117 million as at December 31, 2015 and 2014, respectively. The Group recognized unrealized gain of ₱7 million in 2015 and unrealized loss of ₱87 million and ₱7 million in 2014 and 2013, respectively (see Notes 13 and 21).

Impairment of nonfinancial assets (except goodwill)
An impairment review is performed when certain impairment indicators are present. These factors include, among others:

a. Investments in real estate, property, plant and equipment and deferred project costs
   - Significant underperformance relative to the future sales performance and projected operating results; and
   - Significant negative industry or market trends

b. Investment in associate
   There is objective evidence that one or more events occurring after the initial recognition of the investment have had an impact on the estimated future cash flows of the investment that can be reliably estimated. Impairment exists when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

c. Mining rights and deferred exploration costs
   - The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
   - Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
   - Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mining rights and deferred project costs asset is unlikely to be recovered in full from successful development or by sale.

The Group is required to make estimates and assumptions that can materially affect the consolidated financial statements when determining the value-in-use of nonfinancial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. Future events could cause the Group to conclude that such financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance. Provision for impairment loss on deferred project costs amounted to ₱3 million in 2013 (nil in 2015 and 2014) (see Notes 15 and 23).

The carrying values of nonfinancial assets (except goodwill) subjected to impairment testing follows:

	2015	2014
		(In Millions)
Property, plant and equipment (see Note 12)	₱15,676	₱13,411
Investments in real estate (see Note 10)	1,464	1,527
Investments in associates (see Note 11)	1,276	1,218
Deferred project costs (see Note 15)	323	225
Computer software (see Note 15)	13	25
Mining rights and deferred exploration costs (see Note 15)	–	230
	₱18,752	₱16,636

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis, or more frequently, if events or changes in circumstances indicate that it may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As at December 31, 2015 and 2014, the Group has assessed that there is no impairment of goodwill. The carrying amount of goodwill amounted to ₱1,052 million and ₱1,002 million as at December 31, 2015 and 2014, respectively (see Note 14).

Estimation of retirement benefits cost and obligation and accrued compensation absences
The determination of the retirement benefits cost and obligation and accrued compensated absences is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions, which include among others, discount rates and future salary increase, are described in Note 28. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations and accrued compensated absences.

The Group obtained actuarial valuation reports in 2015 and 2014. Total net retirement assets of SPPC, WMPC and APMC amounted to ₱29 million and ₱45 million as at December 31, 2015 and 2014, respectively (see Note 28). Total retirement benefits liabilities of the Parent Company and other subsidiaries amounted to ₱6 million and ₱7 million as at December 31, 2015 and 2014, respectively (see Note 28). Retirement benefits costs recognized in the consolidated statements of income amounted to ₱16 million, ₱9 million and ₱12 million in 2015, 2014 and 2013, respectively (see Notes 24 and 28). Accrued compensated absences amounted to ₱12 million and ₱32 million as of December 31, 2015 and 2014, respectively (see Note 28).

Estimation of asset retirement obligation
The asset retirement obligation arises from the Group's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount. If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statements of income. Asset retirement obligation as at December 31, 2015 and 2014 amounted to ₱69 million and ₱67 million, respectively (see Note 19).

Estimation and recognition of deferred income tax assets
The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Group's past results and future expectations on revenues and expenses.

In 2009, SPPC and WMPC determined that the use of Optional Standard Deduction (OSD) would be advantageous based on their forecast. Deferred income taxes on items considered in determining gross income for income tax purposes were computed using an effective tax rate of 18% and deferred income taxes on items not part of gross income for income tax purposes were not recognized.

Deferred income tax assets amounted to ₱34 million and ₱58 million as at December 31, 2015 and 2014, respectively. Also, the Group has unrecognized NOLCO, excess MCIT over RCIT and temporary differences as at December 31, 2015 and 2014 as disclosed in Note 29.

Legal contingencies
The Group is involved in certain legal proceedings. The estimate of the probable costs for the assessment and resolution of these possible claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon thorough analysis of potential results. There are no provisions for probable losses arising from contingencies recognized in the Group's consolidated financial statements as management believes that the resolution will not materially affect the Group's financial position and performance (see Note 35).

6. Segment Information

The Group conducts majority of its business activities in two major business segments: (1) Energy and Power and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments." Earnings information related to discontinued operation under property and development segment is presented in Note 30.

Information with regard to the Group's significant business segments are shown below:

	2015					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
	(Amounts in Thousands)					
Earnings Information						
Revenues						
External customer	₱5,001,696	₱23,635	₱-	₱5,025,331	(₱4,635)	₱5,021,696
Inter-segment	-	-	534,538	534,538	(534,538)	-
Total revenues	5,001,696	23,635	534,538	5,560,869	(539,173)	5,021,696
Interest income	28,378	754	5,403	34,035	-	34,035
Finance charges	64,886	1,584	580,778	647,248	(322,888)	324,360
Provision for income tax	334,770	173	8,619	343,562	96,866	440,428
Net income (loss) from continuing operations	1,296,948	(47,697)	(373,257)	875,994	(185,057)	690,937
Other Information						
Investments in associates and due from related parties	663,310	899,941	3,847,486	5,410,637	(3,267,874)	2,142,763
Segment assets	20,338,419	1,147,128	2,335,632	23,821,179	6,345,244	30,166,424
Segment liabilities	1,223,815	132,020	83,540	1,439,375	18,126,467	19,565,842
Depletion, depreciation and amortization	(347,859)	(976)	(120)	(348,955)	-	(348,955)
Reversal of impairment losses	-	1,112	-	1,112	-	1,112
Capital expenditures	2,564,977	845	172	2,565,994	-	2,565,994
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	1,562,983	25,096	(586,140)	1,001,939	366,281	1,368,220
Investing activities	(535,818)	17,425	(1,108,572)	(1,626,165)	(275,943)	(1,902,108)
Financing activities	(1,164,820)	(55,681)	2,210,009	2,849,587	(91,519)	1,958,068

	2014					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
	(Amounts in Thousands)					
Earnings Information						
Revenues						
External customer	₱5,159,454	₱20,617	₱–	₱5,180,071	₱–	₱5,180,071
Inter-segment	–	–	499,595	499,595	(499,595)	–
Total revenues	5,159,454	20,617	499,595	5,679,666	(499,595)	5,180,071
Interest income	21,804	833	387	23,224	–	23,224
Finance charges	(90,954)	(4,063)	(348,817)	(443,834)	237,265	(206,569)
Provision for income tax	(334,882)	(1,283)	(26,078)	(362,243)	–	(362,243)
Net income (loss) from continuing operations	925,137	(48,199)	36,941	913,879	(186,736)	727,143
Other Information						
Investments in associates and due from related parties	703,007	1,489,724	4,113,704	6,306,435	(2,143,428)	4,163,007
Segment assets	18,380,246	637,069	2,155,981	21,173,296	4,551,997	25,725,293
Segment liabilities	1,486,324	103,370	305,617	1,895,311	13,421,612	15,316,923
Depletion, depreciation and amortization	(813,320)	(973)	(81)	(814,376)	–	(814,376)
Reversal of impairment losses	–	3,947	–	3,947	–	3,947
Capital expenditures	7,552,904	264	25	7,553,193	–	7,553,193
Equity in net losses	–	–	–	–	(1,279)	(1,279)
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	2,036,813	3,437	(158,154)	1,902,096	74,449	1,976,545
Investing activities	(7,746,386)	(336)	(782,807)	(8,529,529)	2,007,909	(6,521,620)
Financing activities	6,750,778	(32,080)	1,010,223	7,729,921	(2,085,403)	5,644,518

	2013					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
	(Amounts in Thousands)					
Earnings Information						
Revenues						
External customer	₱3,316,193	₱27,343	₱–	₱3,343,536	₱–	₱3,343,536
Inter-segment	–	–	424,926	424,926	(424,926)	–
Total revenues	3,316,193	27,343	424,926	3,768,462	(424,926)	3,343,536
Interest income	32,238	483	623	33,344	(8,157)	25,187
Finance charges	(67,368)	(6,064)	(104,868)	(178,500)	59,327	(119,173)
Provision for income tax	271,873	195	(1,844)	270,224	–	270,224
Net income from continuing operations	809,021	473,136	254,840	1,536,197	(966,911)	569,286
Other Information						
Investments in associates and due from related parties	457,759	922,681	4,307,183	5,687,625	(1,260,015)	4,427,610
Segment assets	10,553,290	1,960,761	354,786	12,868,837	5,120,292	17,989,129
Segment liabilities	811,269	119,959	76,909	1,008,137	6,609,547	7,617,684
Depletion, depreciation and amortization	(699,891)	(5,182)	(1,858)	(706,131)	–	(706,131)
Reversal of (provisions for) impairment losses	(2,849)	4,141	–	1,292	–	1,292
Capital expenditures	4,443,223	28,366	78	4,471,669	–	4,471,669
Equity in net losses	–	–	–	–	(100,921)	(100,921)
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	1,732,044	(829,282)	71,231	973,993	1,115,745	2,089,738
Investing activities	(3,619,729)	1,209,180	(71,399)	(2,481,948)	(1,290,090)	(3,772,038)
Financing activities	2,785,897	(189,228)	505,134	3,101,810	(275,138)	2,826,672

Except for fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia amounting to ₱25 million in 2015 and 2014 and ₱27 million in 2013, the Group operates and derives principally all of its revenues from domestic operations. Thus, geographical business information is not required.

The following illustrate the reconciliations of reportable segment assets and liabilities to the Group's corresponding amounts:

	2015	2014	2013
		(Amounts in Thousands)	
Assets			
Total assets for reportable segments	₱23,821,179	₱21,173,297	₱12,868,837
Investments in shares of stock of subsidiaries and associates and due from related parties	11,267,227	12,179,485	11,935,523
Goodwill	(43,140)	(43,140)	(43,140)
Eliminations	(4,878,842)	(7,584,349)	(6,772,091)
Consolidated assets	₱30,166,424	₱25,725,293	₱17,989,129
Liabilities			
Total liabilities for reportable segments	₱1,429,375	₱1,895,312	₱1,008,137
Long-term debt	17,180,010	12,938,691	5,190,495
Due to related parties	2,464,839	1,435,592	1,305,659
Loans payable	300,000	260,000	794,367
Deferred tax liabilities - net	331,522	262,900	57,108
Income tax payable	64,901	120,268	100,872
Accrued interest payable	183,925	161,842	86,648
Eliminations	(2,057,208)	(1,757,682)	(925,601)
Consolidated liabilities	₱19,565,842	₱15,316,923	₱7,617,685

7. Cash and Cash Equivalents and Short-term Cash Investments

	2015	2014
Cash on hand	₱438,565	₱59,500
Cash in banks	3,422,014,549	2,383,157,758
Cash equivalents	517,394,440	129,166,117
	₱3,939,847,554	₱2,512,383,375

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short-term cash investments amounting to ₱173 million and ₱34 million as at December 31, 2015 and 2014, respectively, consist of money market placements with maturities of more than three months but less than one year with interest rates ranging 3.00% to 4.10%.

Interest income from cash and cash equivalents and short-term cash investments amounted to ₱24 million, ₱22 million and ₱25 million for the years ended December 31, 2015, 2014 and 2013, respectively.

8. Trade and Other Receivables

	2015	2014
Trade:		
Power	₱682,845,454	₱762,478,325
Real estate	86,276,518	83,760,479
Product distribution and others	31,730,458	31,730,458

(Forward)

	2015	2014
Due from related parties (see Notes 13 and 20)	₱867,129,580	₱2,944,690,536
Retention receivables (see Note 30)	47,364,378	115,393,178
Others	128,156,128	150,573,048
	1,843,502,516	4,088,626,024
Less allowance for impairment losses	80,401,919	80,483,915
	₱1,763,100,597	₱4,008,142,109

Power
Represent billings to NPC by SPPC and WMPC under existing ECAs (see Note 34). These receivables are noninterest-bearing and are generally on 30 days term. Trade receivables include long-outstanding receivables of SPPC from NPC amounting to ₱117 million as at December 31, 2015 and ₱111 million as at December 31, 2014, representing billings from 2005 to 2006 for additional 5MW installed capacity nominated by SPPC. The allowance provided amounting to ₱30 million and ₱31 million as at December 31, 2015 and 2014, respectively, is management's best estimate of impairment loss on the long-outstanding receivables from NPC.

Real Estate
This pertains to receivables from venturers and customers from the sale of residential and commercial lots and units. Real estate receivables are generally noninterest-bearing and have terms of less than one year, except for installment receivables amounting to ₱63 million as at December 31, 2015 and 2014, respectively, which are collectible in monthly installment over a period of two to 10 years and bear interest rates ranging from 18% to 21% computed on the outstanding balance of the principal. Title on the lots sold is passed on to the buyer only upon full settlement of the contract price. The noncurrent portion of the installment receivables amounted to ₱7 million and ₱8 million as at December 31, 2015 and 2014, respectively.

Real estate receivables include the Group's share on the sale of the developed residential and commercial lots and golf shares in the Eagle Ridge Golf and Residential Estates jointly developed with Sta. Lucia Realty and Development, Inc. (SLRDI) (see Notes 10 and 34). In 2014, the Group reclassified a portion of real estate receivables with net carrying value of ₱148 million to AFS financial assets because management believes that the underlying instruments qualify as equity investments (see Note 13).

Product Distribution and Others
These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at December 31, 2015 and 2014.

Retention Receivables
Retention receivable pertains to the outstanding balance from Aboitiz Land, Inc. (Aboitiz) for the sale of Lima Land Inc. (LLI), which will be collected upon accomplishment of certain milestones (see Note 30).

Due from Related Parties and Other Receivables
Other receivables primarily include advances to employees, receivables from contractors, receivables from insurance claims and receivables from venturers. Terms and conditions of the "Due from related parties" are disclosed in Note 20.

The Parent Company has various advances to third parties that were nonmoving since prior years. These advances have been specifically identified to be potentially uncollectible and thus, fully provided with allowance.

Movements of allowance for impairment losses are as follows:

	2015				
	Power	Real Estate	Product Distribution	Others	Total
Balances at beginning of year	₱30,515,721	₱11,561,222	₱31,730,458	₱6,676,514	₱80,483,915
Effect of change in foreign exchange rate	(81,996)	–	–	–	(81,996)
Balances at end of year	₱30,433,725	₱11,561,222	₱31,730,458	₱6,676,514	₱80,401,919
Individually impaired	₱30,433,725	₱–	₱31,730,458	₱5,074,645	₱67,238,828
Collectively impaired	–	11,561,222	–	1,601,869	13,163,091
	₱30,433,725	₱11,561,222	₱31,730,458	₱6,676,514	₱80,401,919

	2014				
	Power	Real Estate	Product Distribution	Others	Total
Balance at beginning of year	₱28,343,011	₱31,561,222	₱31,730,458	₱6,664,472	₱98,299,163
Reclassification to OCI	–	(20,000,000)	–	–	(20,000,000)
Effect of change in foreign exchange rate	2,172,710	–	–	12,042	2,184,752
Balance at end of year	₱30,515,721	₱11,561,222	₱31,730,458	₱6,676,514	₱80,483,915
Individually impaired	₱30,515,721	₱–	₱31,730,458	₱5,074,645	₱67,320,824
Collectively impaired	–	11,561,222	–	1,601,869	13,163,091
	₱30,515,721	₱11,561,222	₱31,730,458	₱6,676,514	₱80,483,915

9. Spare Parts and Supplies - at cost

	2015	2014
Spare parts	₱112,531,781	₱136,565,220
Oil, lubricants and chemicals	183,717,833	104,760,491
Operating supplies and consumables	200,101,379	238,313
	₱496,350,993	₱241,564,024

10. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories

	2015	2014
Eagle Ridge Project (General Trias, Cavite) - at cost (see Note 34)	₱620,497,880	₱622,816,151
Campo Verde Project (Lipa and Malvar, Batangas) - at NRV (see Note 34)	16,077,704	19,524,685
	₱636,575,584	₱642,340,836

A summary of the movements in real estate inventories is set out below:

	2015	2014
Cost		
Balances at beginning of year	₱664,519,522	₱675,541,776
Cost of real estate sold, net of cancellations	(6,877,373)	(11,022,254)
Balances at end of year	657,642,149	664,519,522
Allowance for Impairment Loss		
Balances at beginning of year	22,178,686	26,125,481
Recovery of impairment loss due to sale (see Note 27)	(1,112,121)	(3,946,795)
Balances at end of year	21,066,565	22,178,686
	₱636,575,584	₱642,340,836

In 2013, ALC sold its equity interest in LLI to Aboitiz. The carrying value of disposed real estate inventories due to sale of LLI amounted to ₱171 million (see Note 30).

Recovery of impairment loss on sold real estate inventories previously provided with allowance for impairment amounting to ₱1 million in 2015 and ₱4 million in 2014 and 2013 are recognized also as part of "Other income (charges) - net" in the consolidated statements of income (see Note 27). Accumulated impairment losses on real estate inventories amounted to ₱21 million and ₱22 million as at December 31, 2015 and 2014, respectively.

Included in "Real estate inventories" account are properties with a carrying amount of ₱145 million as at December 31, 2015 and 2014 that were used as collateral for the loans availed by ALC, Parent Company and certain affiliates (see Note 18).

Investments in Real Estate

	2015	2014
Lanang Property (Lanang, Davao City)	₱1,275,631,722	₱1,275,631,722
ALC Property (Pasong Tamo, Makati)	131,577,641	131,810,479
Batangas Project (Lipa and Malvar, Batangas)	51,744,468	115,087,360
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱1,463,639,767	₱1,527,215,497

A summary of the movements in investments in real estate is set out below:

	December 31, 2015		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱1,520,637,358	₱30,369,730	₱1,551,007,088
Additions	483,533	75,893	559,426
Disposal	(63,638,759)	–	(63,638,759)
Balances at end of year	1,457,482,132	30,445,623	1,487,927,755
Accumulated Depreciation			
Balances at beginning of year	–	23,791,591	23,791,591
Depreciation (see Note 25)	–	496,397	496,397
Balances at end of year	–	24,287,988	24,287,988
Net Book Value	₱1,457,482,132	₱6,157,635	₱1,463,639,767

	December 31, 2014		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱1,471,367,796	₱29,167,170	₱1,500,534,966
Additions	49,269,562	1,202,560	50,472,122
Balances at end of year	1,520,637,358	30,369,730	1,551,007,088
Accumulated Depreciation			
Balances at beginning of year	-	23,275,100	23,275,100
Depreciation (see Note 25)	-	516,491	516,491
Balances at end of year	-	23,791,591	23,791,591
Net Book Value	₱1,520,637,358	₱6,578,139	₱1,527,215,497

Lanang Property

On December 27, 2011, the BOD of ACR approved the acquisition of 72% of the outstanding shares (consisting of 2,000,000 common shares and 344,498 preferred shares) of C. Alcantara & Sons, Inc. (CASI) from Aldevinco, a stockholder of ACR and Alcorp, in behalf of Aldevinco, for a total consideration of ₱1,226 million. The acquisition was paid through the reduction of ACR's receivables from Aldevinco equivalent to ₱1,226 million on that date. The total consideration of ₱1,226 million represents the market value of Lanang landholdings of CASI as determined by an independent third party appraiser. This acquisition provides ACR the right to own and develop 21.27 hectares of land and 3 hectares of foreshore leased area in Lanang, Davao City.

CASI filed with the Bureau of Internal Revenue (BIR) and notified the SEC regarding the shortening of its corporate life until March 31, 2014. As a result, ACR received the Lanang property of CASI as liquidating dividend amounting to ₱1,226 million in 2014. Transaction costs incurred such as taxes and processing fees to transfer the Lanang property to ACR's name totaling ₱49 million were capitalized as part of "Investments in real estate". Also, ACR incurred input VAT amounting to ₱103 million in 2014 arising from this transaction (see Note 15).

Collateral

Land and buildings and improvements with a carrying amount of ₱125 million as at December 31, 2015 and 2014 are subject to a mortgage trust indenture and serve as collateral for the long-term debt of ALC (see Note 18).

Fair Value

The fair value of investment properties amounted to ₱1,867 million and ₱1,825 million as at December 31, 2015 and 2014, respectively, were based on appraisal of the properties by independent appraisers in 2015 and 2011, using sales comparison approach, which is a comparative approach to value properties that considers the sales of similar assets or related market data and establishes a value estimate.

Significant increases (decreases) in estimated selling prices of the property within the same location would result in a significantly higher (lower) fair value.

11. Investments in Associates

	Percentage of Ownership			
	2015	2014	2015	2014
At equity:				
Acquisition costs:				
Indophil Resources Philippines, Inc. (IRPI)	2.60	–	₱1,213,332,960	₱–
RCPHI	31.24	31.24	80,851,701	80,851,701
T'boli Agro-Industrial Development, Inc.	22.32	22.32	66,193,299	66,193,299
Aviana Development Corporation (Aviana)	34.00	32.80	62,300,300	4,983,000
Data, Inc.	30.00	30.00	13,725,000	13,725,000
Indophil Resources NL (IRNL)	–	2.42	–	1,315,533,080
			1,436,403,260	1,481,286,080
Accumulated equity in net losses:				
Balances at beginning of year			(102,200,120)	(100,920,763)
Equity swap of IRNL shares with IRPI shares			102,200,120	–
Equity in net losses for the year (see Note 27)			–	(1,279,357)
Balances at end of year			–	(102,200,120)
Accumulated impairment loss -				
Balances at beginning and end of year			(160,770,000)	(160,770,000)
			₱1,275,633,260	₱1,218,315,960

IRNL and IRPI

The Parent Company purchased 29,149,000 shares of IRNL in the amount of ₱1,316 million in 2010. Together with the ownership interests of Alsons Prime Investment Corporation (APIC) and Alsons Corporation (AC) through a series of subscription agreements, the Alcantara Group was the largest shareholder of IRNL at 19.99%. By virtue of the Agreement for the Joint Voting of IRNL shares with APIC and AC, the Parent Company has concluded that it has significant influence over IRNL through its representation in the BOD of IRNL. Accordingly, the Parent Company treated its investment in IRNL as part of "Investments in associates" using the equity method in the 2014 consolidated financial statements. The Parent Company had determined that the acquisition cost of IRNL includes goodwill amounting to ₱785 million.

On January 23, 2015, IRNL implemented the Scheme of Arrangement between APIC and IRNL shareholders wherein APIC acquired all of the remaining outstanding shares from existing shareholders of IRNL. Accordingly, IRNL became a subsidiary of APIC starting January 2015.

In July 2015, APIC was no longer part of the Alcantara Group as it was bought by a third party. Accordingly, the Joint Voting Agreement of IRNL shares between the Parent Company, APIC and AC was deemed terminated.

On December 11, 2015, the Parent Company and AC entered into Deed of Assignment of Shares (share swap) agreements with APIC, whereby the Parent Company and AC assigned and transferred to APIC all their interests in IRNL in exchange for ownership interests in IRPI. Accordingly, the Parent Company recognized the investment in IRPI amounting to ₱1,213 million representing the carrying value of the investment at the date of the share swap agreement.

The transfer of the Parent Company's investment in IRNL to investment in IRPI resulted in the Parent Company still exercising significant influence over IRPI due to its representations in the BOD of IRPI and representations in the BOD and Operating Committee of the operating subsidiary of IRPI. Accordingly, ACR treats its investment in IRPI as part of "Investments in associates" using the equity method in the 2015 consolidated financial statements.

The financial information of IRPI as at and for the year ended December 31, 2015 and IRNL as at and for the year ended December 31, 2014 are as follows:

	2015*	2014**
	(Amounts in Thousands)	
Current assets	₱145,196	₱7,548,916
Noncurrent assets	26,348,043	6,127,891
Current liabilities	91,109	211,684
Noncurrent liabilities	16,722,253	92,879
Revenue and other income	1,572,718	707,636
Net income (loss)	1,173,594	(4,104)
Total comprehensive income (loss)	1,174,916	(4,104)

** The Group did not recognize its share in net earnings of associate for the year ended December 31, 2015 because the amount is not material to the consolidated financial statements.*

*** Financial information of IRNL is presented at Australian Dollar (AUD). Balance sheet and profit and loss accounts were translated to Philippine peso using closing exchange rate of ₱36.21 as of December 31, 2014 and average exchange rate of ₱40.85 in 2014.*

Summarized financial information of IRPI as at December 31, 2015 and IRNL as at December 31, 2014 and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	2015	2014
	(Amounts in Thousands)	
Current assets	₱145,196	₱7,548,916
Noncurrent assets	26,348,043	6,127,891
Current liabilities	(91,109)	(211,684)
Noncurrent liabilities	(16,722,253)	(92,879)
Equity	9,679,877	13,372,244
Deposits for future stock subscriptions (presented as liability)	10,857,603	–
Adjusted equity	20,537,480	13,372,244
Equity interest of the Parent Company	2.00%	2.42%
Share in net assets of the acquiree	410,750	323,608
Goodwill, translation adjustments and others	802,583	889,725
Carrying value of investment	₱1,213,333	₱1,213,333

Aviana

On March 21, 2013, Aldevinco and ACIL (collectively referred to as "AG") and Ayala Land, Inc. (Ayala Land) entered into a joint venture agreement, where Ayala Land shall own 60% and AG shall own 40% of the outstanding capital stock of Aviana Development Corporation (Aviana) to undertake the development of the Lanang property of the Parent Company in Davao City. On September 17, 2013, Aviana was incorporated as a joint venture corporation. The Parent Company subscribed to the 296 preferred shares and 32 common shares for 32.8% ownership in Aviana. In December 2015, the Parent Company subscribe to additional 332,200 preferred shares and 35,800 common shares of Aviana through the conversion of the Parent Company's advances amounting to ₱36 million. In August 2015, the Parent Company subscribed to additional 261,450 preferred shares and 29,050 common shares of Aviana for ₱22 million. The additional subscription to shares of Aviana in 2015 increased the Parent Company's interest in Aviana to 34%. Accordingly, the Parent Company treats its investment in Aviana as "Investment in associate". As at March 18, 2016, Aviana has not yet started its commercial operations.

ACR intends to transfer the Lanang property to Aviana as part of its capital contribution in 2016.

12. Property, Plant and Equipment

As at December 31, 2015:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard & Desulfurization Equipment	Land, Buildings and Leasehold Improvements	Machinery and Other Equipment	Construction in Progress	Cumulative Translation Adjustments	Total
Cost							
Balances at beginning of year	₱7,923,546,137	₱4,417,171,268	₱818,286,204	₱337,277,915	₱10,907,982,707	(₱2,446,672,181)	₱21,957,592,050
Additions	107,927,545	–	52,880,381	13,489,875	2,390,795,961	–	2,565,093,762
Disposals	(134,280,110)	–	(42,260)	(5,839,158)	–	–	(140,161,528)
Reclassifications	–	–	954,706	–	(954,706)	–	–
Cumulative translation adjustments	–	–	–	–	–	33,403,586	33,403,586
Balances at end of year	7,897,193,572	4,417,171,268	872,079,031	344,928,632	13,297,823,962	(2,413,268,595)	24,415,927,870
Accumulated Depletion, Depreciation and Amortization and Impairment Loss							
Balances at beginning of year	(5,754,940,030)	(3,598,488,263)	(94,859,374)	(258,429,176)	–	1,159,667,435	(8,547,049,408)
Depreciation and amortization for the year:							
Expensed (see Note 25)	(199,604,132)	(34,787,435)	(79,962,163)	(21,908,762)	–	–	(336,282,492)
Capitalized	–	–	–	(5,527,714)	–	–	(5,527,714)
Disposals	133,812,381	–	42,260	5,649,082	–	–	139,503,723
Cumulative translation adjustments	–	–	–	–	–	9,559,863	9,559,863
Balances at end of year	(5,820,731,781)	(3,633,275,698)	(174,799,277)	(280,216,570)	–	1,169,227,298	(8,739,796,028)
Net Book Value	₱2,076,461,791	₱783,895,570	₱697,279,754	₱64,712,062	₱13,297,823,962	(₱1,244,041,297)	₱15,676,131,842

As at December 31, 2014:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard & Desulfurization Equipment	Land, Buildings and Leasehold Improvements	Machinery and Other Equipment	Construction in Progress	Cumulative Translation Adjustments	Total
Cost							
Balances at beginning of year	₱7,922,079,384	₱4,416,461,487	₱718,340,364	₱313,685,061	₱3,648,617,136	(₱2,457,724,793)	₱14,561,458,639
Additions	152,416,295	3,044,493	35,471,828	32,974,276	7,329,285,513		7,553,192,405
Adjustment on decommissioning liability (see Note 19)	(7,887,145)	–	–	–	–	–	(7,887,145)
Disposals	(148,479,471)	(2,334,712)	(28,856)	(9,381,422)	–	–	(160,224,461)
Reclassifications	5,417,074	–	64,502,868	–	(69,919,942)	–	–
Cumulative translation adjustments	–	–	–	–	–	11,052,612	11,052,612
Balances at end of year	7,923,546,137	4,417,171,268	818,286,204	337,277,915	10,907,982,707	(2,446,672,181)	21,957,592,050
Accumulated Depletion, Depreciation and Amortization and Impairment Loss							
Balances at beginning of year	(5,399,130,496)	(3,387,250,902)	(31,283,032)	(241,943,609)	–	1,171,913,349	(7,887,694,690)
Depreciation and amortization for the year (see Note 25)	(504,035,379)	(213,354,051)	(63,389,128)	(25,647,902)	–	–	(806,626,460)
Disposals	148,225,845	2,116,690	12,786	9,162,335	–	–	159,517,656
Cumulative translation adjustments	–	–	–	–	–	(12,245,914)	(12,245,914)
Balances at end of year	(5,754,940,030)	(3,598,488,263)	(94,859,374)	(258,429,176)	–	1,159,667,435	(8,547,049,408)
Net Book Value	₱2,168,606,107	₱818,683,005	₱723,426,830	₱78,848,739	₱10,907,982,707	(₱1,287,004,746)	₱13,410,542,642

Construction in progress represents the total accumulated costs incurred for the construction of Phase I of Sarangani's power-generating project "SM 200". SM 200 is 210MW coal-fired power plant project in Maasim, Sarangani Province with a total project cost of ₱14 billion and is expected to commence operations in 2016 (see Note 1).

The capitalized borrowing costs are disclosed in Note 18 to the consolidated financial statements.

Property, plant and equipment with a net book value of ₱314 million and ₱512 million as at December 31, 2015 and 2014, respectively, are mortgaged as collateral for the long-term debt of SPPC and WMPC (see Notes 15 and 18).

The Group has fully depreciated property, plant and equipment still used in the operations with cost and corresponding accumulated depreciation of ₱2,077 million and ₱1,976 million as at December 31, 2015 and 2014, respectively.

13. Available-for-sale Financial Assets

AFS financial assets primarily consist of investments in quoted and unquoted equity securities. Movements of AFS financial assets are as follows:

	2015	2014
Acquisition Costs		
Balances at beginning of year	₱175,284,498	₱27,108,103
Subscription to preferred shares of a stockholder (see Note 20)	2,200,000,000	–
Retained interest in ACRMC (see Note 1)	21,268,768	–
Reclassification from trade receivables (see Note 8)	–	148,176,395
Balances at end of year	2,396,553,266	175,284,498
Cumulative Unrealized Gain (Loss) on Changes in Fair Value		
Balances at beginning of year	(58,243,535)	28,754,589
Fair value changes recognized in OCI (see Note 8)	7,263,540	(86,998,124)
Balances at end of year	(50,979,995)	(58,243,535)
	₱2,345,573,271	₱117,040,963

14. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation cash-generating units consisting of the operations of SPPC and WMPC.

The carrying amount of goodwill allocated to SPPC and WMPC amounted to ₱1,052 million and ₱1,002 million as at December 31, 2015 and 2014, respectively. The movement during the year is due to the effect of foreign exchange rate changes from ₱44.72/$1 as at December 31, 2014 to ₱47.06/$1 as at December 31 2015 used in translating the amount of goodwill allocated to SPPC and WMPC from their functional currency of U.S. dollars to the Parent Company's functional currency of Philippine peso (see Note 2).

Goodwill is subject to annual impairment testing. After considering the current power outlook in Mindanao, the recoverable amount of the operations of SPPC and WMPC have been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering the additional 10 years of operations as merchant plants after the ECA period. In 2015, management determined that SPPC and WMPC will be able continue to operate as merchant plants for 17 years after the ECA period.

Key assumptions used in value-in-use calculations
The calculation of value-in-use for both cash-generating units are most sensitive to the following assumptions explained as follows:

Discount rates. Discount rates reflect management's estimate of the risks specific to the cash-generating unit. The discount rate used for the cash-generating unit is based on weighted average cost of capital. This rate was further adjusted to reflect the market assessment of any risk specific to the generating unit for which estimates of cash flows have not been adjusted. The discount rates used were 9.73% and 9.09% in 2015 and 2014, respectively.

Terminal values. Terminal values represent the market values of the power plant complexes upon disposal. In 2015, management changed the assumption on the expected timing of disposal from the end of ECA period to 17 years after the ECA period for SPPC and WMPC. The terminal values included in the value-in-use computation as at December 31, 2015 amounted to ₱1,024 million ($21.78 million) and ₱1,829 million ($38.86 million) for SPPC and WMPC, respectively. On the other hand, value-in-use computation as at December 31, 2014 included terminal values of ₱1,240 million ($27.73 million) and ₱2,562 million ($57.29 million) for SPPC and WMPC, respectively.

Consumer price index estimates. The assumption used for consumer price index is 1.00% in 2015 and 2014 for US dollar-denominated billings while the assumption used for Philippine peso-denominated billings is 3.00% in 2015 and 2014.

Exchange rate inflation. The assumption used to determine foreign exchange rate is appreciating U.S. dollar of 1.00% every year in 2015 and 2014.

Sensitivity to Changes in Assumptions
With regard to the assessment of value-in-use of the CGUs, management believes that a reasonably possible change in the terminal values assumptions would cause the carrying value of the CGUs to materially exceed their recoverable amount.

15. Other Assets

Prepaid Expenses and Other Current Assets

	2015	2014
Deposits in interest reserve account (see Note 18)	₱556,024,208	₱48,153,721
Input VAT (see Note 10)	170,065,078	189,155,056
Creditable withholding taxes	103,458,809	61,406,425
Prepayments	64,629,550	76,103,576
	₱894,177,645	₱374,818,778

Other Noncurrent Assets

	2015	2014
Deferred project costs	₱323,168,150	₱225,271,124
Deferred oil exploration costs	63,372,934	63,372,934
Deposits	58,226,913	49,976,607
Computer software	13,484,761	24,882,924
Deferred financing costs	492,589	17,593,143
Mining rights and deferred exploration costs (see Note 1)	–	229,884,041
Others	5,816,995	5,667,266
	464,562,342	616,648,039
Less provision for impairment loss	63,372,934	63,372,934
	₱401,189,408	₱553,275,105

Mining Rights and Deferred Exploration Costs
In 1997, Aldevinco entered into a Mineral Production Sharing Agreement (MPSA) with the Republic of the Philippines for the exploration, sustainable development and commercial utilization of mineral deposits covering 1,547.32 hectares in the Municipalities of Nabunturan and Maco in Compostela Valley (the Manat Claims).

In 1999, Aldevinco and SECO entered into a joint venture (the Joint Venture), for the purpose of prospecting, exploring, and developing and mining the Manat Claims. Under the Joint Venture Agreement, SECO shall conduct exploration works on the Manat Claims. SECO's participating interest shall be (a) 25% after completion of certain work program and/or incurring total expenditures of US$1,000,000; and (b) 50% after completion of certain work program and/or incurring total expenditure of US$2,250,000. As soon as SECO shall have earned 50% participating interest, SECO and Aldevinco shall register the joint venture as a partnership with the SEC to qualify it to hold legal title to the Manat Claims and other properties acquired by the Joint Venture.

In 2007, ACRMC acquired Aldevinco's 75% participating interest in the Joint Venture for ₱195 million. As at December 31, 2014 and 2013, the participating interests of ACRMC and SECO in the Joint Venture are 75% and 25%, respectively.

Deferred exploration costs pertain to expenses incurred by ACRMC for the mineral deposits in the Manat Claims. As at March 18, 2016, the Manat MPSA is still in the exploration phase.

In May 2015, the Parent Company declared its 91% investment in ACRMC as property dividend amounting to ₱208 million (see Note 1). The Parent Company's remaining 9% interest in ACRMC amounting to ₱21 million is recognized as Available-for-sale (AFS) investment (see Note 13). Accordingly, the assets and liabilities of ACRMC were derecognized from the consolidated financial statements.

Deferred Project Costs
Deferred project costs are external and incremental direct internal costs related to the Group's energy and power and other development projects. Costs incurred are initially recorded as part of noncurrent assets and will subsequently be reclassified to construction-in-progress under "Property, plant and equipment" account once the project reaches certain milestone.

Deferred project costs pertain to the following ongoing projects:

a. *ZAM 100.* ZAM 100 is a coal-fired power plant project with a 100MW capacity in San Ramon, Zamboanga City (see Note 1). As at December 31, 2015 and 2014, cumulative costs incurred for this project amounted to ₱257 million and ₱225 million, respectively.

b. *Siguil.* Siguil hydro powerplant project is a 15MW run-of-river that will be located at Sitio Siguil, Brgy. Tinoto, Maasim, Sarangani. The project is composed of a non-overflow concrete gravity dam. Its hydrology validation study is on-going and the DOE registration requirements have been completed. As at December 31, 2015, costs incurred for project site preparation, legal fees and other direct costs attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management is capitalized as deferred project costs amounting to ₱66 million.

Computer Software

This account pertains to costs incurred to acquire SAP ERP Financials (SAP) which are being used by CHC and its subsidiaries. Movements of this account are shown below:

	2015	2014
Cost		
Balances at beginning of year	₱36,007,695	₱19,812,630
Additions	60,697	16,277,678
Translation adjustments	1,886,204	(82,613)
Balances at end of year	37,954,596	36,007,695
Accumulated Amortization		
Balances at beginning of year	11,124,771	3,810,822
Amortization (see Note 25)	12,175,755	7,233,035
Translation adjustments	1,169,309	80,914
Balances at end of year	24,469,835	11,124,771
Net Book Value	₱13,484,761	₱24,882,924

Deferred Financing Costs

The debt financing costs pertain to the documentary stamp taxes, mortgage fees, legal and other fees incurred by Sarangani in relation to the Omnibus Loan and Security Agreement (OLSA) dated December 12, 2012. Upon drawdown from the loan facility covered by the OLSA, a portion of the debt issue costs shall be allocated to, and deducted from, the principal drawn amount to determine the carrying value of the loan. The debt financing costs allocated to the undrawn facility is presented as "Deferred financing costs". The allocation shall be based on the amount of the principal drawn over the total facility. As at December 31, 2015 and 2014, total amount drawn from the facility amounted to ₱9,280 million and ₱8,586 million.

Deferred financing costs as at December 31 are shown below:

	2015	2014
Debt financing costs incurred at beginning of year	₱17,593,143	₱167,475,759
Less amount allocated to drawn facility	17,100,554	149,882,616
Deferred financing costs	₱492,589	₱17,593,143

Deposits

	2015	2014
Deposit for land acquisition	₱39,137,250	₱31,340,000
Security deposits	19,129,663	18,636,607
	₱58,266,913	₱49,976,607

In 2015 and 2013, the Parent Company paid an amount of ₱7 million and ₱27 million, respectively, as downpayments to a certain individual for the purchase of land in Davao. The Parent Company has also incurred related transaction costs amounting to ₱1 million and ₱4 million in 2015 and 2013, respectively.

As at December 31, 2015 and 2014, SRPI has deposits for purchase of several parcels of land in the district of Zamboanga amounting to ₱9 million. As at December 31, 2015 and 2014, there was still no formal transfer of ownership over the parcels of land.

Security deposits represent payment of SRPI to Zamboanga City Special Economic Zone Authority (ZAMBOECOZONE) in line with the Lease Agreement executed on January 27, 2013.

16. Accounts Payable and Other Current Liabilities

	2015	2014
Trade	₱405,251,742	₱581,408,965
Accrued expenses (Notes 17, 18 and 28)	425,996,345	351,596,254
Payable to customers	199,495,999	301,443,388
Output tax and withholding tax payable	107,363,534	111,431,676
Advances from customers	27,441,600	23,966,412
Other current liabilities	182,984,328	94,371,909
	₱1,348,533,548	₱1,464,218,604

Trade payables are noninterest-bearing and are normally on a 60 to 75 days term.

Accrued expenses represent accruals for vacation and sick leaves, interest, overhead fees and utilities. Accrued expenses are normally settled within a year.

Other accrued expenses and other current liabilities are noninterest-bearing and have an average term of 30 days.

17. Loans Payable

Parent Company
In February 12, 2013, ACR obtained peso and dollar-denominated unsecured short-term loans from Alsons Power Holdings Corporation (APHC) amounting to ₱249 million and US$12.0 million (₱501 million), respectively. The borrowings were subject to fixed rate of 6% per annum. The loans payable were fully settled in 2014.

Transaction costs related to the loan were presented as contra account to the principal balance and were amortized over the term of the loans using effective interest rate (see Note 26).

MPC
In 2015, MPC availed of another short-term, unsecured bank loans amounting to ₱827 million ($17.6 million). The loan bears interest rates ranging from 4.0% to 4.3%. Outstanding loan balance amounted ₱300 million as at December 31, 2015.

In 2014, MPC availed of a short-term, unsecured bank loans amounting to ₱260 million ($5.8 million). The loans were availed for the purpose of servicing MPC's operating requirements, collection and distribution of electricity. The loans were subject to interest rates ranging from 4.0% to 4.3%. The loans were fully paid in 2015.

18. Long-term Debt

This account consists of U.S. dollar and Philippine peso-denominated obligations as follows:

	2015	2014
Parent Company		
Philippine peso-denominated debt:		
Five-year fixed rate corporate note	₱5,600,000,000	₱–
Seven-year fixed rate corporate note	1,900,000,000	–
Five-year fixed rate restructured debt	–	27,699,000
U.S. dollar-denominated debt -		
Four-year floating rate corporate note	–	3,286,920,000
Four-year fixed rate corporate note	–	58,141,114
Sarangani		
Thirteen and half year peso-denominated floating rate debt	9,280,000,000	8,585,696,599
CHC's Subsidiaries		
MPC		
Six-year peso-denominated fixed rate debt	696,960,000	846,450,000
SPPC		
Seven-year U.S. dollar-denominated floating rate note	45,300,380	100,620,000
Three and half-year U.S. dollar-denominated floating rate note	23,483,280	52,173,331
WMPC		
Three and half-year U.S. dollar-denominated floating rate note	–	204,434,286
Seven-year U.S. dollar-denominated floating rate note	–	19,165,714
ALC and MADE		
Five-year peso-denominated fixed rate restructured debt	–	107,270,160
	17,545,743,660	13,288,570,204
Less unamortized transaction costs	365,734,471	349,878,386
	17,180,009,189	12,938,691,818
Less current portion	311,720,556	590,427,513
Noncurrent portion	₱16,868,288,633	₱12,348,264,305

Movement in the unamortized transaction costs is as follows:

	2015	2014
Balances at beginning of year	₱349,878,386	₱128,550,305
Additions	258,084,429	310,988,013
Amortization	(242,228,344)	(89,659,932)
Balances at end of year	₱365,734,471	₱349,878,386

Parent Company
The loans of the Parent Company consist of the following:

a. *Fixed Rate Corporate Notes Facility* – On November 25, 2015, the Parent Company entered into a fixed rate corporate notes facility with various noteholders with aggregate principal amount of ₱7,500 million divided into two (2) tranches: (a) Tranche A with principal amount of ₱5,600 million, subject to fixed interest rate of 7.24% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of ₱1,900 million, subject to fixed interest rate of 7.92% and payable within seven (7) years from the drawdown date. Proceeds of the loan shall be used to prepay the Parent Company's existing long-term debt and finance the investments in power-related assets.

The Parent Company had drawn the entire loan facility amounting to ₱7,500 million in December 2015. Outstanding loan from this drawdown amounted to ₱7,343 million (net of unamortized transaction costs of ₱157 million) as at December 31, 2015. The transaction costs representing fees, taxes and other charges incurred in obtaining the loan were deferred and amortized using the effective interest rate (see Note 26).

The notes contain embedded derivatives arising from voluntary prepayment option where the Parent Company may opt to prepay the outstanding notes at pre-agreed redemption price starting on the beginning of the 3rd anniversary date of the drawdown for Tranche A and beginning of the 5th anniversary date of the drawdown for Tranche B. Redemption price shall mean 102% of the face value of the notes outstanding plus accrued interest. The Parent Company may also opt to prepay the notes, in whole or in part, at pre-agreed redemption price using the proceeds of any equity offering or any sale or disposition of its shareholdings in its subsidiaries at each anniversary date of the drawdown up to the 5th anniversary date. The embedded derivatives in the loans were assessed by the Parent Company to be closely related, thus were not bifurcated from the host contract based on the provisions of PAS 39.

The Parent Company shall maintain certain financial ratios such as debt-to-equity ratio of not more than 2.9 and interest coverage ratio of not less than 2. As at December 31, 2015, the Parent Company is in compliance with the debt covenants.

As required in the loan agreement, the Parent Company deposited ₱556 million into an interest reserve account in 2015 (see Note 15). Throughout the term of the loan, the interest reserve account is required to have a balance of not less than the aggregate amount of interest falling due within the next interest period which is equivalent to one-year interest period as defined in the loan agreement.

b. *US$100 million Loan Facility Agreement* – In October 2014, the Parent Company entered into a US$100 million Loan Facility Agreement with various banks to finance the investment in power-related assets. The loan was subject to floating interest rate which is the aggregate of the applicable Margin and London Interbank Offered Rate (LIBOR) and was payable in full at maturity, three years from the date of the loan facility agreement.

The Parent Company made drawdown to the loan facility amounting to $73.5 million in 2014. Outstanding loan from this drawdown amounted to ₱3,143 million (net of unamortized transaction costs of ₱144 million) as of December 31, 2014. The Parent Company made another drawdown in 2015 for the balance of the credit loan facility.

The loan contained embedded derivatives arising from voluntary prepayment option where the Parent Company, may at its option, prepay the loan in full or in part, together with any accrued interest thereon. The embedded derivative in the loan was assessed by the Parent Company to be closely related, thus was not bifurcated from the host contract based on the provisions of PAS 39.

The Parent Company shall maintain certain financial ratios such as leverage ratio (ratio of total debt to tangible net worth) not to exceed 2.33:1.00 and earnings before interest, taxes, depreciation and allowances (EBITDA)/ interest ratio not to be less than the ratio set out against the corresponding calculation date. As at December 31, 2014, the Parent Company was in compliance with the debt covenants.

As required in the loan agreement, the Parent Company deposited ₱48.2 million into an interest reserve account in 2014 (see Note 15). Throughout the term of the loan, the interest reserve account is required to have a balance of not less than the aggregate amount of interest falling due for payment in the next interest payment date.

All outstanding loans were prepaid by the Parent Company in December 2015 resulting in the recognition of loss on prepayment of ₱181 million in 2015, representing unamortized transaction cost as of that date. The transaction costs representing fees, taxes and other charges incurred in obtaining the loan were deferred and amortized using the effective interest method (see Note 26).

c. *US$65 million Loan Facility Agreement* - On May 24, 2012, the Parent Company entered into a US$65 million Loan Facility Agreement with APHC to finance the construction of the Sarangani Project (see Note 1). The loan was subject to 6% interest payable semi-annually and the principal is payable in full at maturity in 2015. The outstanding loan balance amounting to ₱58 million as at December 31, 2014 was fully paid in 2015. The transaction costs representing fees, taxes and other charges incurred in obtaining the loan amounting to ₱77 million were deferred and amortized over 36 months using the effective interest method (see Note 26).

The loan contained embedded derivatives pertaining to voluntary prepayment option and conversion and exchange options. The embedded derivatives in the loan were assessed by the Parent Company as for bifurcation based on the provisions of PAS 39 and thus, were accounted for separately as single compound derivative. The Parent Company determined the value of the compound embedded derivatives using the binomial model which is a standard option pricing model. The Parent Company recognized derivative liability from compound embedded derivatives with outstanding amount of ₱28 million as at December 31, 2014. Upon full settlement of the loan in 2015, the derivative liability was derecognized (see Note 27). The derivative liability was presented as part of the current liabilities in the 2014 consolidated balance sheet.

The Parent Company was subject to certain negative covenants which require prior approval of APHC for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. In addition, the Parent Company is required to maintain

certain financial ratios. As at December 31, 2014, the Parent Company was in compliance with the debt covenants.

d. Short-term bank borrowings amounting to ₱145 million as at December 31, 2010, which was subject to annual interest using a base rate of 8% was approved for restructuring in December 2010. The creditor approved the restructuring and partial settlement of this loan as follows: (i) ₱85 million of which is restructured to be paid quarterly over five years until September 2015 with 6% interest per annum, and (ii) the balance is to be settled through dacion en pago.

In October 2011, the compromise settlement agreement and the deed of assignment have been notarized. Accordingly, the restructured loan amounting to ₱85 million has been reclassified to long-term debt. Outstanding balance of restructured loan amounting to ₱28 million as at December 31, 2014 was fully paid in 2015.

Sarangani

On December 12, 2012, Sarangani obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱9,300 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,600 million for the construction of the Phase 1 100-MW coal-fired power plant and its common or shared areas and facilities; and (2) Series 2 Loan in the principal amount of up to ₱700 million for the construction of the transmission line (see Note 1). Sarangani should pay interest semi-annually at the rate equal to the higher of (a) PDST-F benchmark bid yield for five-year treasury securities plus 3.5% spread per annum, or (b) 7.5% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, to be adjusted based on the higher of (a) interpolated PDST-F benchmark bid yield for eight and one-half (8 $^{1}/_{2}$)-year treasury securities plus 2.75% spread per annum, or (b) interest rate applicable on the initial borrowing.

Under the OLSA, Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes eight parcels of land registered in the name of KAED, and one parcel of land registered in the name of Sarangani. The nine parcels of land have an aggregate area of 297,000 square meters and comprise the plant site of the Project. Further, chattel mortgage shall consist of office and transportation equipment with a total value of ₱62 million. In addition to the collaterals, the shares of stock in Sarangani registered under the names of ACR and TTC representing 100% of its outstanding capital stock have been pledged in favor of the collateral trustee.

Sarangani's long-term debt is shown below:

As at December 31, 2015:

	Series 1	Series II	Total
Long-term debt	₱8,466,323,070	₱813,676,930	₱9,280,000,000
Less unamortized debt issue costs	172,409,231	16,170,265	188,579,496
	₱8,293,913,839	₱797,506,665	₱9,091,420,504

As at December 31, 2014:

	Series I	Series II	Total
Long-term debt	₱7,782,830,796	₱802,865,803	₱8,585,696,599
Less unamortized debt issue costs	154,681,103	38,131,850	192,812,953
	₱7,628,149,693	₱764,733,953	₱8,392,883,646

In December 2015, Sarangani obtained a waiver from the banks for the breach of the financial covenant that requires Sarangani to maintain a debt-to-equity ratio not to exceed 2.33:1.00.

Capitalized borrowing costs
The amount of borrowing costs capitalized representing the interest expense and amortization of debt issue costs amounted to ₱1,034 million and ₱930 million in 2015 and 2014, respectively (see Note 12). The rates used to determine the amounts of borrowing costs eligible for capitalization range from 7.14% and 8.32% which are the effective interest rates of the specific borrowings.

CHC's Subsidiaries
MPC. On July 15, 2013, MPC entered into a fixed interest rate long-term OLSA amounting to ₱900 million from a local bank. The loan is payable in 11 semi-annual principal amortizations beginning immediately at the end of August 16, 2014, the first year from loan draw down, up to August 16, 2019. Interest is computed as the sum of the spread and the applicable benchmark rate, based on outstanding facility amount, and calculated on the basis of the actual number of days elapsed in a year of 360 days. The fixed rate shall be subject to a floor rate of 6.25% per annum, excluding gross receipt tax. The interest is payable every six months reckoned from August 16, 2013, the initial draw down date.

On August 16, 2013, MPC made the first draw down on the loan amounting to ₱800 million. The remaining loan balance amounting to ₱100 million was fully drawn on October 31, 2013.
MPC is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. MPC is also required to maintain certain financial ratios. As at December 31, 2015 and 2014, MPC is in compliance with the loan covenants.

The OLSA contains derivatives (prepayment option and interest rate floor from commitment date to drawdown date. MPC assessed that the embedded derivatives are not required to be separated from the facility (host contract).

The OLSA is also subject to a floor cap interest rate wherein interest payment will be at the rate equal to the higher of (a) minimum interest rate of 6.25% per annum or (b) a PDST-F benchmark bid yield for six (6) year treasury securities plus 2.25% spread per annum. Through interpolation, MPC assessed that the floor cap interest rate option is not required to be separated from the debt contract since it is clearly and closely related to the economic characteristics of the related debt contract. Interest payments are computed using benchmark interest rates in 2015 and 2014, respectively.

Under the terms of the OLSA, MPC shall provide collateral security which shall consist of mortgage on MPC's land and CHC's IDPP s I and II. As at December 31, 2015 and 2014, the carrying amount of MPC's land mortgaged as collateral amounted to ₱62 million.

Outstanding balance of the loan amounted to ₱697 million and ₱846 million as at December 31, 2015 and 2014, respectively.

SPPC. On July 15, 2009, SPPC obtained a U.S. dollar-denominated loan amounting to US$9.0 million from a local bank under the OLSA to finance the maturing obligations with the syndicate lender banks. The loan bears an annual interest equal to LIBOR plus 1-year credit default swap and 2% per annum spread. The loan is payable on a quarterly basis up to July 15, 2016. Outstanding balance of this loan amounted to ₱45 million (US$0.95 million) and ₱101 million (US$2.3 million) as at December 31, 2015 and 2014, respectively.

On January 31, 2012, SPPC obtained additional US dollar-denominated loan amounting to $3.0 million from a local bank representing the remaining balance of the loan facility under the OLSA. The additional loan is subject to the same interest on the initial loan and is also payable on a quarterly basis up to July 15, 2016. Outstanding balance of this loan amounted to ₱23 million (US$0.49 million) and ₱52 million (US$1.2 million) as at December 31, 2015 and 2014, respectively.

WMPC. In 2008, WMPC obtained a U.S. dollar-denominated loan amounting to US$4 million from a local bank under the amended OLSA to finance the maturing obligations with the syndicate lender banks. The loan was subject to an annual interest rate equal to LIBOR plus 2% and was subject to quarterly repricing. These were payable on a quarterly basis up to August 14, 2015. Outstanding balance of this loan amounting to ₱19 million (US$0.4 million) as at December 31, 2014 was fully paid in 2015.

On February 14, 2012, WMPC obtained additional US-dollar denominated loan amounting $16 million from a local bank representing the remaining balance of the term loan facility under the OLSA. The additional loan bears an annual interest rate equal to LIBOR plus 3.375% and is subject to semi-annual repricing. The additional loan was payable on a semi-annual basis up to August 14, 2015. Outstanding balance of this loan amounting to ₱204 million (US$4.6 million) as at December 31, 2014 was fully paid in 2015.

Under the terms of the OLSAs, WMPC and SPPC are subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. In addition, WMPC and SPPC are also required to maintain certain financial ratios. As at December 31, 2015, SPPC is in compliance with the loan covenants. As at December 31, 2014, WMPC and SPPC are in compliance with the loan covenants.

The OLSA contains an embedded prepayment option where WMPC and SPPC may prepay the loan in whole or in part provided certain conditions are met, which include the following, among others:

- Each partial prepayment is in integral multiples of US$1 million;
- No prepaid amount may be re-borrowed; and
- The entity shall pay a prepayment penalty of one percent (1%) based on the amount of the principal to be prepaid.

WMPC and SPPC determined using the Binomial Model of valuation that the prepayment option is insignificant and thus was not recognized as at December 31, 2015 and 2014.

ALC and MADE

ALC and MADE had restructured loans totaling ₱107 million as at December 31, 2014 which were fully paid in 2015. These loans were subject to annual interest rate of 5%. The loans were collateralized by mortgage trust indenture and real estate mortgage on ALC's land and buildings and improvements as at December 31, 2014.

19. Asset Retirement Obligation

Under their ECC, SPPC and WMPC have an obligation to decommission or dismantle its power plant complex at the end of the useful lives of the power plant assets. In this regard, SPPC and WMPC established a provision to recognize their estimated liability for the dismantlement of their power plant complex.

Movements in asset retirement obligation follow:

	2015	2014
Balances at beginning of year	₱67,169,574	₱78,801,367
Effects of changes in estimate and discount rate	(1,131,762)	(18,964,355)
Accretion (see Note 26)	3,342,840	7,332,562
Balances at end of year	₱69,380,652	₱67,169,574

The actual decommissioning cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment and/or actual time required in completing all decommissioning or dismantling activities.

The Group assesses the best estimate of cash flows required to settle the obligation on an annual basis. The changes in estimate resulted to a decrease in asset retirement obligation by ₱1 million and ₱19 million in 2015 and 2014, respectively.

20. Related Party Transactions

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

Affiliate refers to an entity that is neither a parent, subsidiary, nor an associate, but has stockholders common to the Group or under common control.

Transactions with related parties pertain mainly to cash advances and reimbursements of expenses. Outstanding related party balances are generally settled in cash. The table below shows the details of the Group's transactions with related parties.

Related Party		Advances	Due from Related Parties (see Note 8)	Terms	Conditions
Major stockholders	2015	₱348,402,599	₱775,568,499	30 days, noninterest-bearing	Partly secured, no impairment
	2014	179,218,128	2,626,965,900		
	2013	1,337,417,112	2,899,051,932		
Subsidiaries of major stockholders	2015	37,032,581	11,621,851	30 days, noninterest-bearing	Unsecured, no impairment
	2014	59,739,376	49,654,432		
	2013	18,186,855	42,945,048		
Affiliates	2015	189,130,974	78,939,238	30 days, noninterest-bearing	Unsecured, no impairment
	2014	29,869,688	268,070,204		
	2013	91,621,071	266,017,408		
Total	2015	₱574,766,154	₱867,129,580		
	2014	268,827,192	2,944,690,536		
	2013	1,447,225,038	3,208,014,388		

a. The outstanding advances to major stockholders include accommodated loans entered into by the Group in favor of the stockholders, which amounted to ₱54 million as at December 31, 2014 (nil as at December 31, 2015).

b. The Parent Company guarantees the obligations of SPPC and WMPC with NPC under the Operational Performance Bonds in accordance with the terms and conditions of the ECAs and to answer for the liabilities that SPPC and WMPC may incur in connection with the said Performance Bonds.

c. On December 16, 2015, the Parent Company subscribed to 22 million redeemable preferred shares of Alsons Development and Investment Corporation (Aldevinco), a shareholder, through conversion of its advances to Aldevinco amounting to ₱2.2 billion. The redeemable preferred shares have a par value ₱100 per share with cumulative dividend of 4% per annum and non-participating. The Parent Company accounts for this investment in redeemable preferred shares as part of AFS financial assets (see Note 13).

d. Compensation of key management personnel are as follows:

	2015	2014	2013
Salaries and wages	₱41,683,566	₱38,398,515	₱46,225,562
Retirement benefits costs	2,595,002	3,510,296	1,478,007
	₱44,278,568	₱41,908,811	₱47,703,569

21. Equity

Capital Stock

	2015		2014	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Common stock - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred stock - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000
Common Shares				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
Preferred Shares				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(28,416,667)		(32,816,667)
		₱6,318,083,333		₱6,313,683,333

On May 24, 2011, SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.0 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.
b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares.

c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.

d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

On February 4, 2013, Alcorp subscribed to 5,500,000,000 preferred shares with par value of ₱0.01 per share, from the unissued authorized preferred shares of the Company. On the same date, Alcorp paid ₱13.8 million representing 25% of the subscription price of ₱55.0 million. As at December 31, 2015 and 2014, subscriptions receivable from Alcorp amounted to ₱28.4 million and ₱32.8 million, net of the 8% dividends declared for preferred shares in 2015 and 2014, respectively.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Activity	Authorized Common Shares	No. of Shares Issued	Issue/Offer Price
1993	Initial Public Offering	₱2,000,000,000	6,291,500,000	₱1
2011	Conversion of unissued common shares to redeemable preferred shares	(55,000,000)	–	–
		11,945,000,000	6,291,500,000	

As at December 31, 2015 and 2014, the Parent Company has 466 and 470 stockholders, respectively.

Retained Earnings

On May 4, 2012, the BOD approved the appropriation of ₱850 million of its retained earnings as at December 31, 2011, for its equity contributions to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2	Phase 1 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱400	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
IDPP 1 & 2*	Rehabilitation of 108 MW diesel plant in Iligan City	200	2013
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

** The ₱200 million previously appropriated for IDPP 1 & 2 in 2012 has been reallocated to SM200 Phase 2 which is expected to be completed in 2018.*

On March 28, 2014, the BOD approved an additional appropriation of ₱850 million of the Parent Company's retained earnings as at December 31, 2013 for its equity contribution to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2*	Phase 2 of the 200 MW coal-fired power plant in Maasim Sarangani	₱600	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2017
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SM1400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

**As discussed above, completion of Phase 2 has been extended to 2018.*

On December 8, 2015, the BOD approved the reversal of appropriation relating to Phase 1 of the Sarangani project amounting to ₱400 million.

The retained earnings are restricted from being declared as dividends to the extent of the appropriation for equity contribution to the foregoing projects.

The Parent Company declared the following cash dividends:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2015	March 27, 2015	₱3,145,750	₱0.0005	June 5, 2015	March 22, 2016
2015	May 22, 2015	62,915,000	0.01	June 5, 2015	June 16, 2015
2014	May 23, 2014	101,000,000	0.016	June 30, 2014	July 24, 2014
2013	March 21, 2013	101,000,000	0.016	May 23, 2013	June 14, 2013

Dividends on preferred shares amounting to ₱4 million in 2015, 2014 and 2013 were applied against the Parent Company's subscriptions receivable from Alcorp.

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱390 million, ₱382 million and ₱595 million in 2015, 2014 and 2013, respectively.

The retained earnings is further restricted for dividend declaration to the extent of the undistributed earnings of subsidiaries amounting to ₱520 million as at December 31, 2015 (nil as at December 31, 2014).

Other Equity Reserves – Acquisition of Non-controlling Interest

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in voting shares of CHC, increasing its ownership to 100%. Cash consideration paid on August 1, 2013 amounted to ₱528 million (US$12.16 million). The carrying value of the net assets of CHC was ₱2,456 million (US$38.97 million). Following is the schedule of additional interest acquired in CHC in 2013:

Carrying value of the additional interest in CHC	₱982,232,166
Cash consideration paid to non-controlling interest	(527,910,397)
Excess of book value of non-controlling interest acquired over acquisition cost	₱454,321,769

The excess of book value of non-controlling interest acquired over acquisition cost was recognized in equity as follows:

Absorbed cumulative translation adjustment from acquired non-controlling interest	₱308,841,072
Included as part of other equity reserves	145,480,697
	₱454,321,769

As at December 31, 2015 and 2014, other equity reserves consist of the following:

	2015				
	Remeasurement Gains on Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Cumulative Translations Adjustments	Equity Reserves – Acquisition of Non-controlling Interest	Total
Balances at beginning of year	₱5,487,847	(₱58,243,535)	₱1,520,279,471	₱145,480,697	₱1,613,004,480
Actuarial gains, net of tax	265,176	–	–	–	265,176
Gain on fair valuation of AFS financial assets	–	7,263,540	–	–	7,263,540
Translation adjustments	–	–	147,110,294	–	147,110,294
Balances at end of year	₱5,753,023	(₱50,979,995)	₱1,667,389,765	₱145,480,697	₱1,767,643,490

	2014				
	Remeasurement Gains on Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Cumulative Translations Adjustments	Equity Reserves – Acquisition of Non-controlling Interest	Total
Balances at beginning of year	₱1,558,367	₱28,754,589	₱1,575,034,794	₱145,480,697	₱1,750,828,447
Actuarial gains, net of tax	3,929,480	–	–	–	3,929,480
Loss on fair valuation of AFS financial assets	–	(86,998,124)	–	–	(86,998,124)
Translation adjustments	–	–	(54,755,323)	–	(54,755,323)
Balances at end of year	₱5,487,847	(₱58,243,535)	₱1,520,279,471	₱145,480,697	₱1,613,004,480

Earnings Per Share (EPS) Attributable to Equity Holders of the Parent

	2015	2014	2013
Net income attributable to equity holders of the parent	₱188,141,930	₱359,040,865	₱395,274,191
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.030	₱0.057	₱0.063

22. Cost of Services

The Group's cost of services from continuing operations are as follows:

	2015	2014	2013
Fuel, oil and lubricants	₱2,516,058,181	₱2,510,512,188	₱1,175,951,709
Depletion, depreciation and amortization (see Note 25)	316,557,938	779,980,202	657,826,244
Insurance expense	78,286,254	76,337,222	62,985,643
Personnel costs (see Notes 24 and 28)	67,799,232	66,996,869	55,142,427

(Forward)

	2015	2014	2013
Repairs and maintenance	₱32,693,779	₱48,536,775	₱16,219,386
Contracted services (see Note 34)	3,138,008	2,901,365	2,759,941
Property administration	1,177,287	1,992,553	1,947,062
Others	50,171,585	49,676,200	5,644,624
	₱3,065,882,264	₱3,536,933,374	₱1,978,477,036

23. General and Administrative Expenses

The Group's general and administrative expenses from continuing operations are as follows:

	2015	2014	2013
Personnel costs (see Notes 24 and 28)	₱126,057,967	₱130,983,353	₱121,986,495
Taxes and licenses	67,332,201	112,095,106	29,585,818
Outside services	53,346,521	49,375,668	55,575,128
Utilities	43,411,504	15,851,149	58,529,586
Depreciation and amortization (see Note 25)	32,396,706	34,395,784	22,802,261
Supplies	23,342,131	7,348,282	2,313,423
Transportation and travel	15,099,561	17,386,575	22,013,011
Customer relations	11,726,457	19,146,369	11,225,289
Telephone, telegraph and postage	9,315,951	8,723,736	5,898,156
Deficiency taxes	6,723,892	16,972,467	–
Directors and executive fees and bonuses	3,210,000	3,099,000	6,546,843
Insurance	686,567	997,569	917,236
Commissions	598,728	1,089,983	1,391,839
Representation	132,518	599,460	2,813,998
Gas and oil	–	486,958	245,714
Others	40,734,263	48,760,795	21,030,449
	₱434,114,967	₱467,312,254	₱362,875,246

24. Personnel Costs

The Group's personnel costs from continuing operations are as follows:

	2015	2014	2013
Cost of services (see Note 22)	₱67,799,232	₱66,996,869	₱55,142,427
General and administrative expenses (see Note 23)	126,057,967	130,983,353	121,986,495
	₱193,857,199	₱197,980,222	₱177,128,922

	2015	2014	2013
Salaries, wages and bonuses	₱155,924,100	₱156,990,170	₱136,987,000
Retirement benefits costs (see Note 28)	14,173,767	8,918,489	12,370,178
Other employee benefits	23,759,332	32,071,563	27,771,744
	₱193,857,199	₱197,980,222	₱177,128,922

25. Depreciation and Amortization

	2015	2014	2013
Cost of services (see Note 22)	₱316,557,938	₱779,980,202	₱657,826,244
General and administrative expenses (see Note 23)	32,396,706	34,395,784	22,802,261
Discontinued operations (see Note 30)	–	–	25,502,780
	₱348,954,644	₱814,375,986	₱706,131,285
Property, plant and equipment (see Note 12)	₱336,282,492	₱806,626,460	₱699,085,637
Amortization of software costs (see Note 15)	12,175,755	7,233,035	3,642,114
Investments in real estate (see Note 10)	496,397	516,491	3,403,534
	₱348,954,644	₱814,375,986	₱706,131,285

26. Finance Charges

	2015	2014	2013
Amortization of transaction costs and loss on prepayment of long-term debt (see Notes 17 and 18)	₱242,228,344	₱96,201,486	₱39,351,288
Interest on long-term debt and loans payable (see Notes 17 and 18)	78,789,004	103,034,700	74,042,967
Interest on asset retirement obligation (see Note 19)	3,342,840	7,332,562	5,978,542
	₱324,360,188	₱206,568,748	₱119,372,797

27. Other Income (Charges)

	2015	2014	2013
Foreign exchange loss - net	(₱218,312,160)	(₱14,043,712)	(₱46,485,190)
Input VAT income	104,235,222	98,505,580	92,511,632
Gain (loss) on sale of property and equipment and investment in real estate	(35,649,469)	360,839	356,577
Mark-to-market gain (loss) on derivative liability (see Note 33)	27,595,736	10,328,044	(16,377,924)
Remeasurement gains on compensated absences (see Note 28)	11,117,516	–	–

(Forward)

	2015	2014	2013
Income from decrease in asset retirement obligation (see Note 12)	₱5,933,564	₱11,315,962	₱–
Recovery of impairment losses on real estate inventories due to sale (see Note 10)	1,112,121	3,946,795	4,140,694
Equity in net losses of an associate (see Note 11)	–	(1,279,357)	(100,920,763)
Others	20,109,595	168,412	17,793,025
	(₱83,857,875)	₱109,302,563	(₱48,981,949)

Others pertain significantly to sales of sludge and reversal of provisions.

28. Employee Benefits

a. Retirement Benefits

The Parent Company and ALC have unfunded, noncontributory defined benefit retirement plans while SPPC, WMPC, and AMPC have funded, noncontributory defined benefit retirement plans covering all their qualified employees. Retirement benefits are dependent on the years of service and the respective employee's compensation. The Group's latest actuarial valuation report is as at December 31, 2015.

Under the existing regulatory framework, Republic Act 7641, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

SPPC, WMPC and APMC

The next tables summarize the movements in net retirement assets of SPPC, WMPC and AMPC.

As at December 31, 2015:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Effect of Changes in Asset Ceiling	Net Retirement Assets
At January 1, 2015	₱92,125,794	₱168,233,331	(₱30,906,976)	₱45,200,561
Retirement benefits cost recognized in profit or loss:				
Loss on settlement	10,024,515	–	–	(10,024,515)
Current service cost	7,621,887	–	–	(7,621,887)
Net interest income	3,837,652	6,415,682	–	2,578,030
	21,484,054	6,415,682	–	(15,068,372)
Remeasurements gains (losses) recognized in OCI:				
Return on plan assets (excluding amount included in net interest)	–	(2,402,581)	–	(2,402,581)
Arising from changes in financial assumptions	(3,442,212)	–	–	3,442,212
Due to experience adjustments	20,213,340	–	–	(20,213,340)
Due to changes in demographic assumptions	1,687,413	–	–	(1,687,413)
Changes in the effect of asset ceiling	–	–	16,026,965	16,026,965
	18,468,541	(2,402,581)	16,026,965	(4,844,157)
Benefits paid and translation adjustments	(39,003,283)	(39,003,283)	3,458,240	3,458,240
At December 31, 2015	₱93,075,106	₱133,243,149	(₱11,421,771)	₱28,746,272

As at December 31, 2014:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Effect of Changes in Asset Ceiling	Net Retirement Assets
At January 1, 2014	₱100,095,784	₱164,103,262	(₱14,041,626)	₱49,965,852
Retirement benefits cost recognized in profit or loss:				
Current service cost	9,880,063	-	-	(9,880,063)
Net interest income	4,326,076	7,200,849	-	2,874,773
	14,206,139	7,200,849	-	(7,005,290)
Remeasurements gains (losses) recognized in OCI:				
Return on plan assets (excluding amount included in net interest)	-	(2,083,754)	-	(2,083,754)
Arising from changes in financial assumptions	(12,000,393)	-	-	12,000,393
Due to experience adjustments	(9,188,710)	-	-	9,188,710
Changes in the effect of asset ceiling	-	-	(16,238,612)	(16,238,612)
	(21,189,103)	(2,083,754)	(16,238,612)	2,866,737
Benefits paid and translation adjustments	(987,026)	(987,026)	(626,738)	(626,738)
At December 31, 2014	₱92,125,794	₱168,233,331	(₱30,906,976)	₱43,200,561

The Retirement Funds of SPPC, WMPC and APMC are being maintained by Banco de Oro Unibank, Inc. - Trust and Investments Group (BDO - TIG), a trustee bank. The table below presents the fair values of the plan assets of the Retirement Plans by each class:

	2015	2014
Cash and cash equivalents	₱10,754,339	₱14,213,134
Investments in unit investment trust fund (UITF)	14,185,484	16,904,831
Investments in debt and other securities	82,354,906	28,720,526
Investments in government securities	23,524,023	107,131,500
Investments in shares of stock	1,199,983	-
Others	1,224,414	1,263,340
	₱133,243,149	₱168,233,331

The plan assets consist of the following:

- Cash and cash equivalents include regular deposit and time deposits, which bear interest ranging from 1.75% to 2.00%;
- Investments in UITF are ready-made investments that allow the pooling of funds that are managed by BDO TIG.
- Investments in shares of stock consist of quoted equity securities;
- Investments in debt and other securities, consisting of both short-term and long-term corporate notes and bonds, which bear interest ranging from 4.38% to 8.45% and have maturities from 2015 to 2024;
- Investments in government securities, consisting of fixed rate treasury notes and retail treasury bonds that bear interest ranging from 2.84% to 8.13% and have maturities from 2015 to 2037; and
- Other financial assets held by the Retirement Funds consists primarily interest and dividends receivable.

Actual return on plan assets amounted to ₱4 million in 2015, ₱2 million in 2014 and ₱7 million in 2013.

APMC, SPPC and WMPC do not expect to contribute to the defined benefit pension plans in 2016.

ACR and ALC

The following tables summarize the movements in retirement benefits liabilities of the Parent Company and ALC:

	2015	2014
Balances at beginning of year	(₱7,472,680)	(₱9,488,962)
Retirement benefits income (cost) charged in profit or loss:		
Past service cost	1,713,503	–
Current service cost	(515,907)	(1,421,890)
Interest cost	(302,991)	(491,309)
	894,605	(1,913,199)
Remeasurements gains (losses) recognized in OCI:		
Arising from changes in demographic assumptions	(8,704,942)	3,781,517
Arising from changes in financial assumptions	8,794,406	147,964
	89,464	3,929,481
Balances at end of year	(₱6,488,611)	(₱7,472,680)

Actuarial Assumptions

The principal assumptions used in determining retirement benefits obligation as of December 31 are as follows:

SPPC, WMPC and APMC

	2015	2014
Discount rates	3.74%-4.67%	3.74%-4.62%
Future salary increases	1.60%	1.60%

ACR and ALC

	2015	2014
Discount rates	5.52%-5.88%	5.52%-5.60%
Future salary increases	7%-12%	10%-12%

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations, assuming all other assumptions were held constant:

As at December 31, 2015:

	SPPC, WMPC and APMC		ACR and ALC	
	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱2,623,736)	+1.0%	(₱1,012,061)
	-0.5%	2,906,520	-1.0%	1,249,218
Salary increase rates	+1.0%	6,057,846	+1.0%	1,149,096
	-1.0%	(5,034,526)	-1.0%	(760,414)

As at December 31, 2014:

	SPPC, WMPC and APMC		ACR and ALC	
	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱2,493,274)	+1.0%	(₱1,211,954)
	-0.5%	2,761,997	-1.0%	1,488,522
Salary increase rates	+1.0%	5,756,627	+1.0%	1,310,003
	-1.0%	(4,784,190)	-1.0%	(1,106,306)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2015	2014
Less than 1 year	₱59,656,409	₱35,110,656
More than 1 year to 5 years	12,666,252	6,047,003
More than 5 years to 10 years	18,780,853	44,736,457
More than 10 years to 15 years	51,424,297	25,320,196
More than 15 years to 20 years	55,992,223	76,351,932
More than 20 years	103,234,204	230,223,882

b. Compensated Absences

All regular employees of CHC and its subsidiaries who have completed 12 months of continuous service are entitled to leave credits. Leave credits granted to each employee vary based on the employee's tenure and can be accumulated up to 60 days. Cost for vested leave credits are dependent on the mortality rate, disability rate, employee turnover rate, salary increase rate, discount rate, utilization rate and respective employee's compensation and leave credits.

Movements in the accrued leave credits (recognized under "Accrued expenses" account in trade and payables) are as follows:

	2015	2014
Balance at beginning of year	₱31,620,305	₱25,856,492
Current service cost	2,204,339	5,533,964
Benefits paid	(11,294,556)	–
Remeasurement gain recognized in profit or loss (see Note 27)	(11,117,516)	–
Translation adjustments	447,019	229,849
Balances at end of year	₱11,859,591	₱31,620,305

29. Income Taxes

The major components of income tax expense are as follows:

Consolidated statements of income:

	2015	2014	2013
Continuing operations:			
Current income tax	₱272,708,907	₱345,191,757	₱294,235,703
Deferred income tax	167,719,203	17,052,091	(24,011,649)
	440,428,110	362,243,848	270,224,054

(Forward)

	2015	2014	2013
Discontinued operations (see Note 30):			
Current income tax	₱–	₱–	₱10,849,428
Deferred income tax	–	–	(679,508)
	–	–	10,169,920
Total	₱440,428,110	₱362,243,848	₱280,393,974

Consolidated statements of comprehensive income:

	2015	2014	2013
Deferred tax related to items charged or credited directly to equity during the year - actuarial losses (gains)	₱2,373,179	(₱448,297)	₱1,380,343

Following is the reconciliation between the statutory tax rate on income before income tax and the effective tax rates:

	2015	2014	2013
Statutory income tax rate	30.0%	30.0%	30.0%
Increase (decrease) in income tax rate resulting from:			
Unrecognized deferred tax assets	10.5%	0.9%	0.5%
Translation adjustments, effect of change in tax rate, income of certain subsidiaries enjoying tax holidays, interest income already subjected to final tax and others - net	(1.6%)	2.3%	0.7%
Write-off of NOLCO and MCIT	–	–	1.0%
Effective income tax rate	38.9%	33.2%	32.2%

Deferred income tax assets (liabilities) pertain to the income tax effects of the following:

	2015	2014
Deferred Income Tax Assets		
Translation of nonmonetary assets	₱14,330,947	₱–
Impairment losses on deferred projects costs	5,872,664	4,137,271
NOLCO	3,903,890	1,629,572
Accrued vacation and sick leaves	2,934,473	5,872,228
Difference between financial and tax depreciation	2,141,230	23,170,817
Unamortized past service cost	1,841,458	2,317,525
Retirement plan assets	1,471,566	–
Unrealized foreign exchange losses	728,887	635,049
Excess MCIT over RCIT	324,996	117,748
Payable to customers	100,944	18,411,090
Allowance for doubtful accounts	–	1,518,870
	₱33,651,055	₱57,810,170
Deferred Income Tax Liabilities		
Fair value adjustment on real estate inventories, net of impairment	(₱167,050,371)	(₱166,716,734)
Capitalized interest	(245,140,005)	(148,677,237)
Retirement plan assets	(63,835,196)	(3,521,431)
Difference between financial and tax depreciation	(55,449,527)	–

(Forward)

	2015	2014
Difference between tax and financial amortization of transaction costs	(₱45,900,110)	(₱41,626,855)
Equity in undistributed net earnings of a foreign subsidiary	(29,517,020)	(37,320,808)
Unrealized foreign exchange gains	(7,148,991)	(1,398,046)
Actuarial gains recognized in equity	(2,913,595)	–
Translation of nonmonetary assets	–	(35,478,120)
Unamortized capitalized major repairs and maintenance costs	–	(22,347,165)
Accrued retirement costs	–	(1,961,240)
	(₱616,954,815)	(₱459,047,636)

The net deferred income tax assets and liabilities as reflected in the consolidated balance sheets are as follows:

	2015	2014
Net deferred income tax assets	₱13,690,764	₱30,268,777
Net deferred income tax liabilities	(₱596,994,524)	(₱431,506,243)

The components of the Group's temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT for which no deferred tax assets are recognized in the consolidated financial statements because management believes that it is not probable that taxable income will be available against which the deferred tax assets can be utilized as summarized below:

	2015	2014
NOLCO	₱1,528,094,586	₱660,244,793
Impairment losses on property, plant and equipment	149,244,117	149,244,117
Allowance for doubtful accounts	44,893,549	33,163,091
Excess of MCIT over RCIT	2,516,646	7,869,406
Unrealized foreign exchange losses	20,496	15,795,997
Others	16,926,829	11,825,436

Movements of NOLCO and MCIT follow:

	2015		2014	
	NOLCO	MCIT	NOLCO	MCIT
Balances at beginning of year	₱665,676,700	₱7,987,154	₱131,032,885	₱9,035,694
Additions	944,202,195	308,076	567,449,062	26,533
Utilization and expiration	(68,771,343)	(5,453,588)	(32,805,247)	(1,075,073)
Balances at end of year	₱1,541,107,552	₱2,841,642	₱665,676,700	₱7,987,154

As at December 31, 2015, NOLCO and MCIT that can be claimed as deduction from RCIT due are as follows:

Years Incurred	Expiry Dates	NOLCO	MCIT
December 31, 2013	December 31, 2016	₱29,456,295	₱2,507,033
December 31, 2014	December 31, 2017	567,449,062	26,533
December 31, 2015	December 31, 2018	944,202,195	308,076
		₱1,541,107,552	₱2,841,642

30. Discontinued Operations

On October 3, 2013, ALC and ALI executed a SPA for the sale of 60% equity interest of ALC in LLI to ALI for a total consideration of ₱1,364 million. Gain on sale recognized as part of net income from discontinued operations attributable to equity holders of the parent amounted to ₱72 million, net of capital gains tax of ₱82 million.

Analysis of cash flows from disposal is shown below:

	Amounts in millions
Selling price	₱1,364
Capital gains tax	(82)
Retention receivable (see Note 8)	(162)
Cash of disposal group	(168)
Net proceeds from disposal included in cash flows from investing activities	₱952

The results generated from discontinued operations of LLI for the year ended December 31, 2013 are as follows:

SALES OF SERVICES:	
Power sales and service income	₱691,612,638
Management fees	36,648,872
Rental income and others	6,908,858
	735,170,368
REAL ESTATES SALES	15,551,757
TOTAL REVENUE	750,722,125
COSTS AND EXPENSES	
Cost of services	(582,120,298)
Cost of real estate sold	(7,525,331)
General and administrative expenses	(37,269,816)
OTHER INCOME (CHARGES)	
Finance charges	(2,532,048)
Interest income	1,854,986
Other income - net	83,335,910
	(544,256,597)
INCOME BEFORE INCOME TAX	206,465,528
PROVISION FOR INCOME TAX (see Note 29)	
Current	10,849,428
Deferred	(679,508)
	10,169,920
NET INCOME FROM DISCONTINUED OPERATIONS	196,295,608
OTHER COMPREHENSIVE LOSS	
Item that will not be reclassified subsequently to profit or loss - remeasurement loss on defined benefit obligation	(5,541,956)
TOTAL COMPREHENSIVE INCOME	₱190,753,652
Income from discontinued operations attributable to:	
Equity holders of the parent	₱146,348,389
Non-controlling interests	49,947,219
	₱196,295,608

(Forward)

Total comprehensive income attributable to:	
Equity holders of the parent	₱143,027,095
Non-controlling interests	47,726,557
	₱190,753,652

The net cash flows of LLI and subsidiaries for the year ended December 31, 2013 are as follows:

Net cash flows from operating activities	₱359,431,067
Net cash flows provided by investing activities	(57,036,229)
Net cash flows used in financing activities	(218,061,078)
	₱84,333,760

Cost of services for the year ended December 31, 2013 consists of the following:

Purchased power and utilities	₱514,105,215
Depletion, depreciation and amortization (Note 25)	22,394,994
Personnel costs	11,796,250
Taxes and licenses	10,835,099
Repairs and maintenance	4,228,571
Utilities	545,046
Representation	518,625
Contracted services	176,120
Property administration	173,250
Others	17,347,128
	₱582,120,298

General and administrative expenses for the year ended December 31, 2013 consist of the following:

Personnel costs	₱14,949,525
Rent and utilities	11,617,966
Outside services	3,430,976
Depreciation and amortization (Note 25)	3,107,786
Transportation and travel	1,306,045
Representation	1,127,551
Taxes and licenses	890,865
Supplies	433,185
Commissions	320,370
Insurance	45,547
Others	40,000
	₱37,269,816

Earnings Per Share Attributable to Equity Holders of the Parent Company from Discontinued Operations for the Year ended December 31, 2013

Net income from discontinued operations	₱146,348,389
Divided by the average number of common shares outstanding during the year	6,291,500,000
Basic/Diluted EPS	₱0.023

31. Lease Commitments

Operating Lease Payments
SPPC has a contract for the lease of land owned by Sarangani Agricultural Co., Inc. until May 2016. The lease contract provides for annual rental of ₱1 million and provides for escalation of rent at a rate of 5% every other year. The lease contract was accounted for using the straight-line method over the term of the lease contract.

As at December 31, 2015 and 2014, the future minimum rental payable under an operating lease contract follows:

	2015	2014
Within one year	₱1,277,689	₱1,276,035
After one year but not more than five years	2,683,135	2,679,691
	₱3,960,824	₱3,955,726

Rent expense under this lease contract amounted to ₱1 million each year.

Operating Lease Receipts
The Group entered into various operating lease contracts with various third-party lessees. The lease term is one year renewable annually. Total rental income from these lease agreements amounted to ₱11 million in 2015, ₱9 million in 2014 and ₱10 million in 2013.

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, short-term cash investments, AFS financial assets, loans payable, derivative liability and long-term debt. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables (including noncurrent portion of installment receivables) and accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (interest rate risk, equity price risk and foreign currency risk).

Management reviews and BOD approves policies for managing each of these risks which are summarized below.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

In the Group's real estate business, transfer of the property is executed only upon full payment of the purchase price. There is also a provision in the sales contract which allows forfeiture of the installment/deposits made by the customer in favor of the Group in case of default. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments.

In the Group's power generation business, credit risk is significantly concentrated on NPC, the sole customer of SPPC and WMPC. It is the policy of the Group that all provisions in the ECA are complied with.

The table below shows the gross maximum exposure to credit risk of the Group as at December 31, 2015 and 2014, before considering the effects of collaterals, credit enhancements and other credit risk mitigation techniques.

	2015	2014
Loans and receivables		
Cash and cash equivalents*	₱3,939,408,989	₱2,512,323,875
Short-term cash investments	172,944,935	34,444,998
Trade and other receivables		
Trade receivables		
Power	652,411,729	731,962,604
Real estate**	81,473,769	80,042,969
Due from related parties	867,129,580	2,944,690,536
Other receivables***	166,341,860	243,302,104
	₱5,879,710,862	₱6,546,767,086

*Excludes cash on hand
**Includes noncurrent portion of installment receivables
***Excluding advances to suppliers and contractors

The table below shows the Group's aging analysis of financial assets:

	2015					
	Neither Past Due nor Impaired	Past Due but not Impaired				
		1–6 Months	Over 6 Months	Subtotal	Impaired	Total
Cash and cash equivalents*	₱3,939,408,989	₱–	₱–	₱–	₱–	₱3,939,408,989
Short-term cash investments	172,944,935	–	–	–	–	172,944,935
Trade and other receivables:						
Trade receivables						
Power	588,491,254	1,462,954	62,457,521	63,920,475	30,433,725	682,845,454
Real estate**	13,639,738	588,124	67,345,907	67,834,031	11,561,222	93,034,991
Product distribution and others	–	–	–	–	31,730,458	31,730,458
Due from related parties	84,506,333	802,296	781,820,951	782,623,247	–	867,129,580
Others***	73,646,043	1,275,506	98,420,311	92,695,817	6,676,514	173,018,374
	₱4,872,637,292	₱5,128,880	₱1,801,944,690	₱1,007,073,570	₱80,401,919	₱5,960,112,781

* Excludes cash on hand
** Includes noncurrent portion of installment receivables
*** Excludes advances to suppliers and contractors

	2014					
	Neither Past Due nor Impaired	Past Due but not Impaired				
		1–6 Months	Over 6 Months	Subtotal	Impaired	Total
Cash and cash equivalents*	₱2,512,323,875	₱–	₱–	₱–	₱–	₱2,512,323,875
Short-term cash investments	34,444,998	–	–	–	–	34,444,998
Trade and other receivables:						
Trade receivables						
Power	658,191,866	73,770,738	–	73,770,738	30,515,721	762,478,325
Real estate**	10,719,517	7,002,558	62,320,894	69,323,452	11,561,222	91,604,191
Product distribution and others	–	–	–	–	31,730,458	31,730,458
Due from related parties	286,975,562	2,724,521	2,654,990,453	2,657,714,974	–	2,944,690,536
Others***	127,254,314	33,679,078	82,368,712	116,047,790	6,676,514	249,978,618
	₱3,629,910,132	₱117,176,895	₱2,799,680,059	₱2,916,856,954	₱80,483,915	₱6,627,251,001

* Excludes cash on hand
** Includes noncurrent portion of installment receivables
*** Excludes advances to suppliers and contractors

The table below shows the credit quality of the Group's financial assets that are neither past due nor impaired based on historical experience with the corresponding third parties.

	2015			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents	₱3,939,408,989	₱–	₱–	₱3,939,408,989
Short-term cash investments	172,944,935	–	–	172,944,935
Trade and other receivables:				
Trade:				
Power	588,491,254	–	–	588,491,254
Real estate*	13,639,738	–	–	13,639,738
Due from related parties	–	15,814,962	68,691,371	84,506,333
Other receivables	606,499	73,039,544	–	73,646,043
	₱4,715,091,415	₱88,854,506	₱68,691,371	₱4,872,637,292

Includes noncurrent portion of installment receivables

	2014			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents	₱2,512,323,875	₱–	₱–	₱2,512,323,875
Short-term cash investments	34,444,998	–	–	34,444,998
Trade and other receivables:				
Trade:				
Power	637,143,011	21,048,855	–	658,191,866
Real estate*	10,719,517	–	–	10,719,517
Due from related parties	–	53,706,125	233,269,437	286,975,562
Other receivables	874,321	126,379,993	–	127,254,314
	₱3,195,505,722	₱201,134,973	₱233,269,437	₱3,629,910,132

Includes noncurrent portion of installment receivables

Grade A financial assets pertain to those investments to counterparties with good credit standing or loans and receivables that are consistently paid before the maturity date. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up while other receivables and deposits which are collectible provided that the Group makes a persistent effort to collect them are included under Grade C. Past due receivables and advances include those that are past due but are still collectible.

Cash and cash equivalents and short-term cash investments are deposited in top ten banks in the Philippines, hence, considered Grade A.

Liquidity Risk

Liquidity risk arises from the possibility that the Group encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and financial assets (held for liquidity purposes):

	2015				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Accounts payable and other current liabilities*	₱1,050,655,661	₱190,048,149	₱–	₱–	₱1,240,703,810
Loans payable**	–	312,000,017	–	–	312,000,017
Long-term debt**	–	334,435,864	10,219,392,386	7,878,100,939	18,431,929,189
	₱1,050,655,661	₱836,484,030	₱10,219,392,386	₱7,878,100,939	₱19,984,633,016

* *Excluding statutory payables and other payable to government agencies*
** *Including interest payable computed using prevailing rate as at December 31, 2015*

	2015				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Cash and cash equivalents	₱3,939,847,554	₱–	₱–	₱–	₱3,939,847,554
Short-term cash investments*	172,944,935	–	–	–	172,944,935
Trade receivables	359,688,376	567,438,649	6,758,473	–	733,885,498
AFS financial assets	124,304,503	–	–	2,221,268,768	2,345,573,271
	₱4,396,785,368	₱567,438,649	₱6,758,473	₱2,221,268,768	₱7,192,251,258

Including interest income computed using prevailing rate as at December 31, 2015

	2014				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Accounts payable and other current liabilities*	₱1,183,074,679	₱169,712,249	₱–	₱–	₱1,352,786,928
Loans payable**	–	270,399,977	–	–	270,399,977
Long-term debt**	–	707,165,780	4,859,149,285	8,988,778,492	14,555,093,557
	₱1,183,074,679	₱1,147,278,006	₱4,859,149,285	₱8,988,778,492	₱16,178,280,462

** Excluding statutory payables and other payable to government agencies*
*** Including interest payable computed using prevailing rate as at December 31, 2014*

	2014				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Cash and cash equivalents	₱2,512,383,375	₱–	₱–	₱–	₱2,512,383,375
Short-term cash investments*	–	34,703,336	–	–	34,703,336
Trade receivables	143,094,190	661,067,671	7,843,712	–	812,005,573
AFS financial assets	117,040,963	–	–	–	117,040,963
	₱2,772,518,528	₱695,771,007	₱7,843,712	₱–	₱3,476,133,247

Including interest income computed using prevailing rate as at December 31, 2014

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing loan obligations with floating interest rate as it can cause a change in the amount of interest payments. The Group's policy is to manage its interest cost using a mix of fixed and variable debt rates. The Group's ratio of fixed to floating rate debt stood at 47:53 and 8:92 as at December 31, 2015 and 2014, respectively.

The following tables set out the carrying amounts, by maturity, of the Group's interest-bearing financial obligations with floating interest rates:

			2015			
	Interest Terms (p.a.)	Rate Fixing Period	<1 Year	1–3 Years	>3 Years	Total
Long-term debt						
U.S. dollar-denominated borrowing	LIBOR +1.00% to 3.375%	Quarterly to Semi-annually	₱68,783,649	₱–	₱–	₱68,783,649
Peso-denominated borrowing	PDST-F +3.50% for the first 5 years and +2.75% thereafter	Semi-annually	–	–	9,280,000,000	9,280,000,000

			2014			
	Interest Terms (p.a.)	Rate Fixing Period	<1 Year	1–3 Years	>3 Years	Total
Long-term debt						
U.S. dollar-denominated borrowing	LIBOR +2.00% to 3.375%	Quarterly to Semi-annually	₱309,752,635	₱66,640,696	₱–	₱376,393,331
Peso-denominated borrowing	PDST-F +3.50% for the first 5 years and +2.75% thereafter	Semi-annually	–	–	8,585,696,599	8,585,696,599

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax, through the impact of floating rate financial liabilities. Fixed rate debts, although subject to fair value interest rate risk, are not included in the sensitivity analysis as these are carried at amortized costs. The assumed movement in basis points for interest rate sensitivity analysis was based on forecasted interest rate change using historical data during the year being reported. The methods and assumptions used in the analysis remained unchanged over the reporting periods being presented. There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

	2015		2014	
	Increase in Basis Points	Decrease in Basis Points	Increase in Basis Points	Decrease in Basis Points
Change in basis points	+100	-100	+100	-100
Increase (decrease) in income before income tax	(₱93,487,836)	₱93,487,836	(₱89,620,899)	₱89,620,899

Equity Price Risk

Equity price risk is the risk that the fair value of quoted AFS financial assets decreases as the result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's quoted AFS financial assets. The Group's policy requires it to manage such risk by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector. The Group intends to hold these investments indefinitely in response to liquidity requirements or changes in market conditions.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's consolidated equity. The reasonably possible change in equity price was based on the year to year change of stock market indices. In quantifying the effect of reasonably possible change in equity price, the expected return on the AFS financial assets is correlated to the return of the financial market as a whole through the use of beta coefficients. The methods and assumptions used in the analysis remained unchanged over the reporting periods. The table below summarizes the impact of changes in equity price on the consolidated equity. However, significant decrease in equity price may affect consolidated income before income tax.

Equity price risk of those AFS financial assets listed in the Philippine Stock Exchange and secondary or broker market (for golf club shares) is as follows:

	2015		2014	
	Increase in Equity Price	Decrease in Equity Price	Increase in Equity Price	Decrease in Equity Price
Change in equity price	+1%	-1%	+1%	-1%
Increase (decrease) in equity	₱1,751,819	(₱1,751,819)	₱1,122,410	(₱1,122,410)

Foreign Currency Risk

The Group's exposure to foreign currency risk is limited to monetary assets and liabilities denominated in currencies other than its functional currency. Substantial portion of the U.S. dollar-denominated assets and liabilities is attributable to the Group's power segment in which the functional currency is the U.S. dollar. The Group closely monitors the fluctuations in exchange rates so as to anticipate the impact of foreign currency risk associated with its financial instruments.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the Philippine peso to U.S. dollar exchange rates used was ₱47.06 to US$1.0 and ₱44.72 to US$1.0 for December 31, 2015 and 2014, respectively.

The table below summarizes the Group's exposure to foreign currency risk. Included in the table are the Group's financial assets and liabilities at their carrying amounts.

	2015		2014	
	In U.S. Dollar	In Philippine Peso	In U.S. Dollar	In Philippine Peso
Financial assets -				
Cash and cash equivalents	$29,389,745	₱1,383,081,410	$41,292,890	₱1,846,618,041
Short-term cash investments	–	–	824,514	36,872,266
Trade and other receivables	9,636,930	453,513,926	5,925,666	264,995,784
	39,026,675	1,836,595,336	48,043,070	2,148,486,091
Financial liabilities -				
Trade payables and long-term debt	(27,404,349)	(1,289,648,647)	(83,216,781)	(3,721,454,429)
	$11,622,326	₱546,946,689	($35,173,711)	(₱1,572,968,338)

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar to Philippine peso exchange rate, with all other variables held constant, of the Group's income before income tax. The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical date within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2015		2014	
	Philippine Peso		Philippine Peso	
	Increase	Decrease	Increase	Decrease
Change in foreign exchange rate	+1.0	-1.0	+1.0	-1.0
Increase (decrease) in income before income tax	(₱5,469,467)	₱5,469,467	(₱18,748,364)	₱18,748,364

The increase in ₱ against US$1 means stronger U.S. dollar against peso while the decrease in ₱ against US$1 means stronger peso against U.S. dollar.

There is no other impact on the Group's equity other those already affecting the consolidated statements of income.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value.

The Group considers its total equity and debt reflected in the consolidated balance sheet as its capital. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional. No changes were made in the objectives, policies or processes in 2015 and 2014, respectively.

The Group monitors its capital based on debt to equity ratio. The Group includes within debt interest bearing loans and borrowings. Capital includes equity attributable to the equity holders of the parent less (add) the net unrealized gain (loss) reserve and cumulative translation adjustments.

The Group's current ratio and debt-to-equity ratio as at December 31, 2015 and 2014 follow:

Current Ratio

	2015	2014
Current assets	₱7,902,997,308	₱7,813,694,120
Current liabilities	2,025,155,511	2,462,510,323
	3.9:1	3.2:1

Debt-to-Equity Ratio

	2015	2014
Long-term debt	₱17,180,009,189	₱12,938,691,818
Loans payable	300,000,017	259,999,978
Total debt	17,480,009,206	13,198,691,796
Equity attributable to equity holders of the parent	10,183,374,008	10,116,616,226
Other equity reserves	(1,767,643,490)	(1,613,004,480)
Adjusted equity	₱8,415,730,518	₱8,503,611,746
	2.08:1	1.55:1

33. Financial and Non-financial Instruments

As at December 31, 2015 and 2014, the Group held the following financial and non-financial instruments carried at fair value or fair value is required to be disclosed:

As of December 31, 2015:

	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Measured at fair value -					
AFS financial assets	₱124,304,503	₱124,304,503	₱124,304,503	₱–	₱–
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	1,463,639,767	1,867,000,000	–	–	1,867,000,000
	₱1,587,944,270	₱1,991,304,503	₱124,304,503	₱–	₱1,867,000,000
Financial Liabilities					
Fair value is disclosed -					
Long-term debt	₱17,180,009,189	₱17,137,226,888	₱–	₱–	₱17,137,226,888

As of December 31, 2014:

	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Measured at fair value -					
AFS financial assets	₱112,240,963	₱112,240,963	₱112,240,963	₱–	₱–
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	1,527,215,497	1,825,000,000	–	–	1,825,000,000
	₱1,639,456,460	₱1,937,240,963	₱112,240,963	₱–	₱1,825,000,000
Financial Liabilities					
Fair value is disclosed -					
Long-term debt	₱12,938,691,818	₱12,971,880,405	₱–	₱–	₱12,971,880,405
Measured at fair value -					
Derivative liability	27,595,736	27,595,736	–	–	27,595,736
	₱12,966,287,554	₱12,999,476,141	₱–	₱–	₱12,999,476,141

During the years ended December 31, 2015 and 2014, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

The financial instrument classified under Level 3 pertains to the embedded derivatives bifurcated from the loan (host loan) that was obtained by the Parent Company from APHC (see Note 18).

The value of the embedded derivative as at December 31, 2014 was determined using binomial option pricing model which uses unobservable data as inputs including credit spread, stock price and stock price volatility of Sarangani, an unlisted entity. These inputs were assessed by the Parent Company to have significant impact on the value of the derivatives.

Significant unobservable inputs to valuation	Range
Credit spread	4.34%
Share price of ACR	₱1.34
Stock price volatility of Sarangani	8%

The movements in the fair value of the derivative liability are summarized below:

	2015	2014
Derivative liability at beginning of year	₱27,595,736	₱37,923,780
Net change in fair value (Note 27)	(27,595,736)	(10,328,044)
Derivative liability at end of year	₱-	₱27,595,736

The fair value changes during the years ended December 31, 2015 and 2014 were recognized as "Mark-to-market gain (loss)" under "Other income (charges)" account in the consolidated statements of income (see Notes 18 and 27).

To assess the impact of those nonmarket inputs, the Group performed the following sensitivity analysis:

Credit Spread

	Increase (Decrease) in Credit Spread	Effect on Income Before Income Tax
2014	100 bps	(₱3,435,287)
	(100 bps)	3,506,018

Underlying Unquoted Share Price

	Increase (Decrease) in Underlying Share Price	Effect on Income before Income Tax
2014	1%	(₱566,784)
	(1%)	₱492,249

Volatility of the Underlying Unquoted Share

	Increase (Decrease) in Volatility of the Underlying Unquoted Share	Effect on Income Before Income Tax
2014	100 bps	(₱23,865)
	(100 bps)	44,548

The following methods and assumptions are used to estimate the fair value of each class of financial and non-financial instruments:

Cash and cash equivalents, short-term cash investments, trade and other receivables, and advances to NPC
The carrying amounts of these financial assets approximate their fair values due to the short term maturity of those instruments.

Noncurrent portion of installment receivables
The fair values of these financial instruments are determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments. The discount rates used ranged from 3.50% to 6.00% for the years ended December 31, 2015 and 2014.

AFS financial assets
The Company's AFS financial assets include investments in quoted and unquoted securities and golf club shares. The fair value of investment in quoted securities is determined based on the closing market rate in PSE as at balance sheet dates. The fair value of investment in golf club shares which are traded in organized financial markets is determined based on quoted market bid prices at the close of business at reporting date. Investment in unquoted securities are carried at cost in the absence of a reliable basis of determining its fair values due to unpredictable nature of future cash flows and lack of suitable method in arriving at a reliable fair value.

Accounts payable and other current liabilities and loans payable
The carrying amounts of these financial liabilities approximate fair value because of the short - term maturity of these instruments.

Derivative liability
The embedded options as of December 31, 2014 were valued using the binominal option model. This valuation method compares the fair value of the option-free loan against the fair value of the loan. This valuation technique considers the probability of the Parent Company's and Sarangani's share prices to move up or down depending on the volatility, risk-free rate and exercise price.

Long-term debt
The fair value of long-term debt with variable interest rates approximates its carrying amounts due to quarterly or semi-annually repricing of interest. The fair value of long-term debt with fixed interest rate is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments.

Investments in real estate
Please see Note 10 for the basis of fair value.

The net gains (losses) per category of financial instruments are as follows:

	2015	2014	2013
Fair Value through Profit or Loss			
Mark-to-market gain (loss) on derivative liability (see Note 27)	₱27,595,736	₱10,328,044	(₱16,377,924)
Loans and Receivables			
Interest income from cash and cash equivalents and short-term cash investments (see Note 7)	24,034,525	22,224,257	27,041,508

(Forward)

	2015	2014	2013
AFS Financial Assets			
Gain (loss) on fair valuation of AFS taken to consolidated statements comprehensive income (see Note 13)	₱7,263,540	(₱86,998,124)	(₱6,741,009)
Other Financial Liabilities			
Amortization of transaction costs and loss on prepayment of long-term debt (see Notes 17, 18 and 26)	(242,228,344)	(96,201,486)	(39,351,288)
Interest on loans payable and long-term debt (see Notes 17, 18 and 26)	(78,789,004)	(103,034,700)	(82,578,427)
	(321,017,348)	(199,236,186)	(121,929,715)
	(₱262,123,547)	(₱253,682,009)	(₱118,007,140)

34. Significant Agreements and Commitments

a. Energy Conversion Agreements (ECAs)

SPPC and WMPC, each under separate ECAs with NPC, have constructed a 55-megawatt and a 100-megawatt bunker C-fired diesel generator power plants in General Santos City and Zamboanga City, respectively, under a Build-Operate-Own scheme. NPC supplies all fuel necessary to generate electricity, with all electricity generated purchased by NPC at a price calculated based on the formula provided in the ECAs. SPPC and WMPC shall, directly or indirectly, own the power plants and shall operate and manage the power plants and provide all power generated to NPC for a period of 18 years up to April 28, 2016 and December 13, 2015, respectively. Upon expiration of the 18-year cooperation period, the ECAs may be renewed upon the sole option of NPC. On December 13, 2015, ECA with WMPC had expired and not renewed by NPC.

The covering agreements also contain certain provisions with respect to NPC's payment to SPPC and WMPC, subject to certain conditions, of the total remaining amounts of the capacity fees until the end of the cooperation period, in the event of amendment, modification or repeal of any Philippine laws or any government regulations that will materially reduce, prejudice or otherwise adversely affect the companies' interest in the project or the power plant/station, and/or the companies' economic return on their investments.

The ECAs qualify as operating leases as SPPC and WMPC sell all their outputs to NPC.

Future minimum receivable from fixed capacity and infrastructure fees as at December 31, 2015 and 2014 are as follows (in millions):

	2015	2014
Within one year	₱259	₱2,171
After one year but not more than five years	–	246

Energy fees earned on the ECAs amounted to ₱2,139 million ($47 million) in 2015, ₱2,182 million ($49 million) in 2014 and ₱2,075 million ($49 million) in 2013.

b. Operations and Maintenance (O&M) Service Agreements

AIL provides operations and maintenance services under an Advisory Service Agreement (ASA) to PT Makassar Power (PTMP), an IPP based in Indonesia. Under the ASA, AIL provides technical advisory services in connection with the operation and maintenance of a

power plant in Indonesia for a monthly fee of $35,000 effective May 1, 2008 to April 2010, $38,800 effective May 2010 to July 2011, $44,600 from August 2011 to April 2012, and $46,500 from May 2012 to April 2015. On April 14, 2015, PTMP extended the Advisory Service Agreement with AIL for another year starting May 1, 2016.

Total billings to PTMP amounted to ₱25 million ($0.56 million) for both 2015 and 2014 and ₱24 million ($0.56 million) in 2013. Outstanding receivable from PTMP amounted to ₱6 million ($0.12 million) in 2015 and ₱5 million ($0.12 million) 2014.

In March 2013, SRPI entered into O&M Agreement with ACES for the operations and maintenance of the 105 MW coal-fired power plant. The Agreement is subject to termination by SRPI after the fourth operating year of the power plant and every year thereafter, upon at least one year notice prior to the intended termination date. Under the O&M, SRPI should pay mobilization fee amounting to US$2.33 million and annual operation fee of US$1.95 million. As at March 18, 2016, SRPI has not yet started commercial operations.

c. Power Supply Agreements (PSAs)

SRPI, Sarangani, and MPC entered into PSAs with various distribution utilities and electric cooperatives for a period of 25 years for SPRI and Sarangani and three (3) years for MPC from start of their commercial operations.

Contracted capacities are shown below:

Sarangani

Contracting Party	Contracted Capacity (in Mega Watts)
SOCOTECO II	70
Iligan Light and Power Inc.	27
Cagayan Electric Power and Light Company, Inc.	20
Davao Del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative	15
Agusan del Norte Electric Cooperative	10
Agusan del Sur Electric Cooperative	10
Cotabato Electric Cooperative Inc.	10
South Cotabato I Electric Cooperative	10
Zamboanga del Sur I Electric Cooperative Inc.	5
Zamboanga del Norte Electric Cooperative Inc.	5
Misamis Oriental Electric Cooperative II	3
	200

SRPI

Contracting Party	Contracted Capacity (in Mega Watts)
Zamboanga City Electric Cooperative, Inc.	85
Zamboanga del Sur I Electric Cooperative, Inc.	10

MPC

Contracting Party	Contracted Capacity (in Mega Watts)
South Cotabato II Electric Cooperative Inc.	30
Zamboanga City Electric Cooperative, Inc.	18
Holcim Philippines, Inc.	10
Iligan Light and Power, Inc.	10
Agusan del Sur Electric Cooperative Inc.	10
Zamboanga del Sur I Electric Cooperative, Inc.	5
Zamboanga del Norte Electric Cooperative, Inc.	5

In 2014, MPC also entered into PSA with Cagayan Electric Power and Light Group, Inc. for a period of one year and six months which MPC supplies on a non-firm basis.

On June 29, 2015, MPC entered into a PSA with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) to supply energy on a non-firm basis until December 31, 2015.

On August 25, 2015, WMPC and (ZAMCELCO) filed an application for PSA for a period of ten (10) years from the time the obligations under PSA shall become effective which was provisionally approved by the ERC. WMPC shall supply to ZAMCELCO the contracted capacity of 50 - megawatt.

d. Joint Venture Agreements

ALC has a Joint Venture Agreement with SLRDI for the development of ALC's parcels of land at General Trias, Cavite into a commercial and residential subdivision with golf courses, known as the Eagle Ridge Golf and Residential Estates (Eagle Ridge). The entire development shall be undertaken by SLRDI which shall receive 60% of the total sales proceeds of the lots of the subdivision, both commercial and residential, and of the golf shares. The remaining balance of 40% shall be for ALC. ALC's 40% share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots and golf shares is included under "Real estate inventories" account in the consolidated balance sheets. The Group recorded sales from Eagle Ridge amounting to ₱5 million in 2015, ₱1 million in 2014 and ₱5 million in 2013.

In 2006, ALC entered a joint venture agreement with SRDI, the developer, for the development of ALC's parcels of land in Batangas into residential house and lots called Campo Verde Subdivision. The entire development costs shall be shouldered by the developer. In return for their respective contributions to the project, the parties have agreed to assign number of units of residential house and lots proportionate to their respective contributions computed as specified in the MOA. SRDI shall be assigned as the exclusive marketing agent and shall receive 10% of the total contract price, net of VAT and discounts, as marketing fee. ALC's share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots is included under "Real estate inventories" account in the consolidated balance sheets. The Group reported sales from Campo Verde subdivision amounting to ₱6 million in 2015, ₱11 million in 2014 and ₱13 million in 2013.

On March 21, 2013, Aldevinco and ACIL (collectively referred as "AG") and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana. On September 17, 2013, Aviana was incorporated as the JVC. ACR has subscribed to 296 preferred shares and 32 common shares for 34% ownership in Aviana. As at March 18, 2015, Aviana has not yet started operations.

e. Marketing Agreements

ALC and SLRDI have a Marketing Agreement with Fil-Estate Group of Companies (FEGC) for the latter to market and sell the individual lots at Eagle Ridge. FEGC is entitled to a marketing commission of 12% of the sales contract price.

f. Engineering, Procurement and Construction Contract (EPC)

On March 30, 2011, Sarangani entered into EPC contract with the consortium of Daelim Industrial Co. Ltd, a company incorporated in Korea, and Daelim Philippines Incorporated, a company incorporated in the Philippines ("Contractor"). Under the terms of the contract, the

Contractor shall perform any and all services and provide any and all equipment and construction equipment necessary to perform the work in accordance with the EPC contract on a fixed-price, turnkey basis and shall deliver a fully operational power plant facility (SM 200).

On December 29, 2011 and May 24, 2012, Amendments 1 and 2 to the EPC, respectively, were signed, revising certain portions of the EPC. Construction of Phase 1 of the SM200 commenced in January 2013 and is expected to be completed in March 2016.

On December 27, 2012, SRPI entered 3-year Construction Contract also with Daelim Philippines, Incorporated ("Daelim") for a ₱2.38 billion fixed-price, date certain and turnkey basis. Under the Construction Contract, Daelim shall provide the design, engineering, procurement, supply, construction, start-up, testing and commissioning of the 100 MW coal-fired power station or the ZAM100 project.

g. Registration with Zamboanga City Special Economic Zone Authority (ZAMBOECOZONE) and Kamanga Agro-Industrial Economic Zone

On November 20, 2012, SRPI obtained the certificate of registration and tax exemption issued by the ZAMBOECOZONE. As a registered ZAMBOECOZONE enterprise, SRPI shall enjoy incentives and benefits provided for in Republic Act (R.A.) 7903 Sections 4(e) and 4(f) and Sections 43-44, 57-59 and 62 of R.A. 7903 throughout the Lease Agreement with ZAMBOECOZONE (see 15.c).

On June 7, 2011, Philippine Economic Zone Authority (PEZA) approved Sarangani's registration as an Ecozone Utilities Enterprise inside Kamanga Agro-Industrial Economic Zone located at Barangay Kamanga, Maasim, Sarangani Province.

As a power generation registered economic zone enterprises SRPI and Sarangani are entitled to the following incentives:

(a) Exemption from national and local taxes and in lieu thereof payment of a special tax rate of 5% on gross income; and
(b) Tax and duty free importation of capital equipment, machineries and spare parts.

(c) VAT-zero rating on local purchases subject to compliance with BIR and PEZA regulations/requirements.

h. Land Lease Agreement with ZAMBOECOZONE

On January 27, 2013, SRPI entered into a Land Lease Agreement with ZAMBOECOZONE for a period of 31 years from execution of the lease Agreement. The leased properties consist of: (a) 300,000 sq.m. for the Main Power Plant Area; and (b) 37,000 sq.m. for the Port Facility Area. Payment of monthly rental will commence on October 1, 2013 and subject to fee escalation. On January 27, 2014, SRPI received billing from ZAMBOECOZONE covering period October 1, 2013 to December 31, 2013. However, SRPI requested for the deferment of the recognition of its rental obligations to ZAMBOECOZONE for the three (3) months period ended December 31, 2013 pending resolution of the certain conditions requisite for the start of rental payments. SRPI requested for revised billing to reflect the three-month deferment of the full rental rates.

On April 2, 2014, ZAMBOECOZONE issued revised billing to SRPI amounting to ₱10.2 million for period starting January 1, 2014 to March 2015. In response to the revised billing, SRPI wrote to ZAMBOECOZONE on October 24, 2014 communicating that while the plant site was cleared of informal settlers, the conflicting positions taken by the Department of Agrarian Reform and the Office of the Government Corporate Counsel on land use conversion have made the use of the land for industrial purposes uncertain. Despite the issue on land use conversion, SRPI tendered payment of ₱10.2 million to show good faith and willingness to continue with the contract. As at March 18, 2016, SRPI has not yet received response from ZAMBOECOZONE. Meanwhile, the payment ₱10.2 million is recorded as security deposits under "Other noncurrent assets" account as at December 31, 2015.

35. Contingencies

There are contingent liabilities that arise in the normal course of the operations of the Group, which are not reflected in the accompanying consolidated financial statements as management believes that it is not probable that the contingent liabilities will affect the Group's operations and consolidated financial statements.

36. Notes to Consolidated Statements of Cash Flows

The principal noncash investing and financing activities are as follows:

	2015	2014	2013
Investing activities:			
Disposal of ACRMC through property dividend (Note 11)	P207,590,029	P–	P–
Conversion of advances to related party to investment in preferred shares (Note 11)	(2,200,000,000)	–	–
Conversion of advances to related party to investment in associate (Note 11)	(35,800,000)	–	–

(Forward)

	2015	2014	2013
Reclassification from trade receivables to AFS financial assets (Note 13)	₱–	(₱148,176,396)	₱–
Transfer of deferred project costs to property, plant and equipment (Note 15)	–	–	(644,480,157)
Investing activity:			
Disposal of subsidiaries without loss of control (Note 15)	12,563,402	–	–

37. Other Matters

a. Electric Power Industry Reform Act (EPIRA)
RA No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations (IRR) provide for significant changes in the power sector which include among others:

i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
ii. Creation of a Wholesale Electricity Spot Market within one year; and
iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and between transmission and distribution companies, and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.
Based on the assessment of management, the operating subsidiaries have complied, with the applicable provisions of the EPIRA and its IRR.

b. Clean Air Act
The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries comply with the applicable provisions of the Clean Air Act and the related IRR.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
2286 Don Chino Roces Ave. Extension
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A, and have issued our report thereon dated March 18, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Martin C. Guanles
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-3 (Group A),
August 25, 2015, valid until August 24, 2018
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321643, January 4, 2016, Makati City

March 18, 2016

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2015

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to PFRS 5: Changes in Methods of Disposal*		✓	
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendment to PFRS 7: Servicing Contracts*			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements *		✓	
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments*		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		✓	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		✓	
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*		✓	
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015*		Adopted	Not Early Adopted	Not Applicable
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception	✓		
PFRS 14	Regulatory Deferral Accounts*		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiatives*		✓	
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*		✓	
	Amendments to PAS 16: Bearer Plants*			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution	✓		
	Amendments to PAS 19: Regional market issue regarding discount rate*		✓	

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment to PAS 21: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements*		✓	
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Amendment to PAS 34: Disclosure of information 'elsewhere in the interim financial report'*			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PAS 38	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants*			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate*		✓	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

Exhibit 2

SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2015

ALSONS CONSOLIDATED RESOURCES I AND SUBSIDIARIES
Schedule A: Financial Assets
For the year Ended December 31,2015

Name of Issuing Entity and Description of Each Issue	No. of Shares	Amounts Shown in the Balance Sheet	Valued Based on Market Quotations at Balance Sheet Date	Interest and Dividend Income Received and Accrued
Short-term deposit (cash equivalents)				
U.S. Dollar denominated short term deposit				
BDO		69,748,332		
UBP		344,431,388		254,488
Peso denominated short term deposit				
RCBC		30,338,304		37,752
AUB		10,103,029		7,858
BDO		62,775,387		13,314
		517,394,440		313,421
Short-term cash investments				
U.S. Dollar denominated short term investments		9,412,000		
Peso Denominated short term investments		163,532,935		
		172,944,935		
Available-for-sale financial assets				
Philodrill	566,720,000	6,800,640	6,800,640	221,321
Seafront	15,544,911	37,307,786	37,307,786	
Globe Telecom	1,013	1,876,076	1,876,076	
Abacus Consolidated	10,000,000	3,800,000	3,800,000	
ACR Mining Corporation	21,268,769	21,268,769	21,268,769	
Alsons Development & Investment Corp.	22,000,000	2,200,000,000	2,200,000,000	
Eagle Ridge Golf and Country Club	511	68,820,000	68,820,000	
Eagle Ridge Hotel Corp.	2,112,000	4,800,000	4,800,000	
Pueblo de Oro Development Corporation	2	900,000	900,000	
	637,647,206	2,345,573,271	2,345,573,271	221,321
TOTAL FINANCIAL ASSETS	637,647,206	3,035,912,848	2,345,573,271	534,732

SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
For the Year Ended December 31, 2015

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
ACR								
Cervantes, Ma. Anne	R	-	2,000					2,000
Cabiguen, Joel A.	R	-	51,738	51,738				-
Dela Rosa, Devi P.	S	-	10,170	10,170				-
Diaz, Risha Mae	R	-	20,000	20,000				-
Manpatac, Ma. Cleofee	R	2,000	22,000	14,000				10,000
Macho, Loida D.	R	-	57,755	57,755				-
Torralba, Mary Ann	R	-	90,500	90,500				-
Tumala, Laura D.	R	-	41,000	37,000				4,000
Yabut, Romualdo Allan G.	R	-	2,300	2,300				-
		2,000	327,463	313,463	-	-	-	16,000
Alsons Land Corporation								
Bayang, Andrea Iyn	R	8		8				-
Almadovar, Roberto	R	4,174	156,439	156,413				4,200
Arcijedo, Vima C.	S		232,024	160,605				71,419
Legaspi, Rufino	R	467,364						467,364
Salita, Cecilia	R	13,000						13,000
Others		40,503		500				40,003
Quiogue, Therese	R	205,212		80,778				124,434
Roa, Susan V.	R	18,400	40,095	21,885				36,610
Jorgio, Jovy	R	12,445	316,000	28,445				300,000
		761,129	744,559	448,828	-	-	-	1,057,860
Sarangani Energy Corporation								
Alon, Joel E.	M	7,124	19,892	7,124				19,892
Corales, Fernando V.	M	10,478		10,478				-
Gonzales, Gregorio S. Jr.	M		4,550					4,550
Limsila, Jori	M		6,584					6,584
Mercado, Elsa J.	M		2,149					2,149
Nocos, Joseph C.	O	25,200		25,200				-
Olvida, Casimiro V.	M	86,564	25,053	60,564				26,053
Tepora, William M.	M		7,146					7,146
Zamora, Bernardo N.	M		2,915					2,915
Fuccy, Ricardo R.	O	13,043	6,984	13,043				6,984
Daniel, Abel S.	R		317					317
Del Rosario, Paul Richard M.	R		16,675					16,675
Donelo, Benna Jayne A.	R		18,900					18,900
Dufay, Geovani S.	R		4,683					4,683
Isla, Alamada M.	R	10,268		10,268				-
Lapining, Mark L.	R		23,100					23,100
Leopardo, Frederick S.	R		2,920					2,920
Madelo, April Rose B.	R	28		28				-
Ramos, David M.	R	398		398				-
Rufo, Reyma A.	R	928	800	928				800
Sugat, Fredie C.	R		46,144					46,144
Alborido, Joseph T.	S	10,259	25,461	10,259				25,461
Allawan, Maximiano F.	S	56		56				-
Baljeda, Elren Cesar C.	S		33,661					33,661
Corpuz, Melody C.	S	596		596				-
Enad, Dyna C.	S		475					475
Espedilla, Cecilio O. Jr.	S		23,300					23,300
Fabebier, Awardson J.	S	398		398				-
Linogao, Jead R.	S		46,144					46,144
Lopez, Rocher D.	S		12,500					12,500
Megrenio, Mary Shower M.	S		23,063					23,063
Megrenio, Renante P.	S		66,730					66,730
Morante, Harley Marvin C.	S		54,900					54,900
Nacionales, A. Estela	S		59,054					59,054
Paglinawan, Julius T.	S		23					23
Perano, Joel G.	S	40,000	305,538	40,000				305,538
Sarata, Edward P.	S	1,005	21,004	1,005				21,004
Others		7,147		7,147				-
		193,516	676,456	193,516	-	-	-	676,456
SOUTHERN PHILIPPINES POWER CORPORATION								
Zamora, Bernardo N.	M	-	6,569					6,569
Hamoy, Nomie D.	M	-	4,392					4,392

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Sevilla, Edgar D.	O	-	7,241					7,241
Lewas Jr., Alexander E.	R	-	7					7
Baseia, Alexander S.	R	-	126					126
Rivera, Allandin S.	R	-	13,944					13,944
Gallarde, Cerilio T.	R	-	1,023					1,023
Cenmiano, George L.	R	-	15,657					15,657
Belac, Irene G.	R	-	85					85
Sanchez, Jesus Seman A.	R	-	10,235					10,235
Garcinas, Jay Michael Q.	R	-	7					7
Zuniega, Kristian T.	R	-	7,074					7,074
Orquina, Lilian B.	R	-	85					85
Randon, Michael D.	R	-	9,173					9,173
Perez, Nonito D.	R	-	18,082					18,082
Dueaban, Nathan M.	R	-	14,538					14,538
Lopez, Nathaniel R.	R	-	11,167					11,167
Deang, Richard P.	R	-	35					35
Maningo, Ram Kenneth P.	R	-	11,370					11,370
Arocha Sr., Riel R.	R	-	161					161
Cebeding Jr., Anastacio C.	S	-	23,749					23,749
Balladares, Andy Oliver J.	S	-	41,406					41,406
Pacson, Arturo P.	S	-	13,310					13,310
Mutia, Dennis B.	S	-	14,375					14,375
Bonayon, Edgardo L.	S	-	12,163					12,163
Osano, Gilbert Francis N.	S	-	35,661					35,661
Aquino, Marlon L.	S	-	15,615					15,615
Nava Jr., Napoleon B.	S	-	55					55
Bernabe Jr., Paulino D.	S	-	10					10
Burgos, Romeo M.	S	-	82,014					82,014
Castro, Roenina S.	S	-	80,380					80,380
		-	452,699					452,699
WESTERN MINDANAO POWER CORPORATION								
Kintanar, John Patrick R.	M	-	4,417					4,417
Dela Cruz, Sofia V.	M	-	3,361					3,361
Lozano, Teresita B.	M	-	1,706					1,706
Tepora, William M.	M	-	2,566					2,566
Fucoy, Nicandro R.	O	-	2,167					2,167
Imperio, Annie B.	R	-	180					180
Verias, Lorenzo F.	R	-	135					135
Portillo, Reynaldo A.	R	-	18,286					18,286
Diorio, Alan Leroy	S	-	350					350
Talel, Michael L.	S	-	19,500					19,500
		-	52,681					52,681
Conal Holdings Corporation								
Others		-	32,894					32,894
		-	32,894					32,894
Alto Power Management Corporation								
Despabladeras, Alma O.	S	-	22,105					22,105
Gabriste, Noel P.	M	-	9,178					9,178
Others		-	16,032					16,032
		-	47,314					47,314
SAN RAMON POWER INC.								
Donato,Archimedes B.	M	-	851					851
Bustamante, Richelle Ann A.	R	-	15,000	12,500				2,500
		-	15,851	12,500				3,351
MAPALAD POWER CORPORATION								
Mercado, Efraim J.	M		80,000.00					80,000
Ramilo, Ruben B.	M		8,550.00					8,550
Esclamado, Agustin S.	R		4,560.00					4,560
Escalona, Kim Ashley D.	R		3,000.00					3,000
Maquiddang, Maureen S.	R		5,500.00					5,500
Yanez, Roy Lyndon V.	R		36,160.00					36,160
Serato, Annabelle P.	S		187,076.00					187,076
Labgubon, Giovanni Pio G.	S		(350.00)					(350)
Nava Jr., Napoleon B.	S		30,000.00					30,000
		-	334,496					334,496

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
KAMANGA								
Allawan, Maximiano F.	M	79,100	-					79,100
		79,100						79,100
TOTAL		1,035,740	2,884,413	968,111				2,952,041

Designation
R – Rank and File
S – Supervisory
M – Manager
(Executive Office & Vice President)

Schedule C. Amounts Receivable from/Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2015.

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Alsons Consolidated Resources, Inc.	Sarangani Energy Company	1,069,428,909	1,069,428,909
Alsons Consolidated Resources, Inc.	Conal Holdings Corporation	387,634,603	387,634,603
Alsons Consolidated Resources, Inc.	San Ramon Power, Inc.	140,452,738	140,452,738
Western Mindanao Power Corporation	San Ramon Power, Inc.	49,840,973	49,840,973
Alsons Consolidated Resources, Inc.	Kamanga Agro-Industrial Ecozone Development Corporation	45,917,421	45,917,421
Alsons Consolidated Resources, Inc.	Alsons Renewable Energy Corporation	26,511,959	26,511,959
Alsons Consolidated Resources, Inc.	Alsons Land Corporation	15,775,344	15,775,344
Sarangani Energy Company	ACES Technical Services Corporation	13,241,434	13,241,434
Alsons Land Corporation	MADE (Market Developers), Inc.	12,331,046	12,331,046
Sarangani Energy Company	San Ramon Power, Inc.	11,585,964	11,585,964
Sarangani Energy Company	Kamanga Agro-Industrial Ecozone Development Corporation	7,721,459	7,721,459
Alto Power Management Corporation	San Ramon Power, Inc.	6,322,430	6,322,430
Conal Holdings Corporation	San Ramon Power, Inc.	6,144,920	6,144,920
Alsons Consolidated Resources, Inc.	MADE (Market Developers), Inc.	3,656,037	3,656,037
Southern Power Philippines Corporation	San Ramon Power, Inc.	3,228,458	3,228,458
Mapalad Power Corporation	San Ramon Power, Inc.	1,954,608	1,954,608
Kamanga Agro-Industrial Ecozone Development Corporation	Southern Power Philippines Corporation	1,928,391	1,928,391
Alsons Consolidated Resources, Inc.	Mapalad Power Corporation	1,557,243	1,557,243
Western Mindanao Power Corporation	Sarangani Energy Corporation	498,130	498,130
Southern Power Philippines Corporation	Sarangani Energy Corporation	228,300	228,300
Mapalad Power Corporation	Sarangani Energy Corporation	29,664	29,664
San Ramon Power, Inc.	ACES Technical Services Corporation	22,073	22,073
Kamanga Agro-Industrial Ecozone Development Corporation	Western Mindanao Power Corporation	8,260	8,260
Kamanga Agro-Industrial Ecozone Development Corporation	Mapalad Power Corporation	1,700	1,700
San Ramon Power, Inc.	Kamanga Agro-Industrial Ecozone Development Corporation	1,000	1,000
Conal Holdings Corporation	Sarangani Energy Corporation	370	370

As of December 31, 2015, the balances above of due from and due to related parties are expected to be realized and settled within twelve months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

The following are the transactions among related parties which are eliminated in the consolidated statements of income for the period ended December 31, 2015:

Nature	Dividends declared by:	Revenue and other income recognized by:	Amount
Dividend income	Alsing Power Holdings Inc.	Alsons Consolidated Resources, Inc.	19,551,850
Dividend income	Conal Holdings Corporation	Alsons Consolidated Resources, Inc.	352,589,536
Dividend income	Alto Power Management Corporation	Alsons Consolidated Resources, Inc.	19,551,842

Schedule D: Intangible Assets – Other Assets
For the Year Ended December 31, 2016

Intangible Assets	Beginning Balance	Deduction	Addition	Amortization	Revaluation	Ending Balance
Computer Software	24,882,924		60,697	(12,175,755)	716,895	13,484,761
Goodwill	1,001,698,049				50,167,487	1,052,063,536
Mining Rights	195,000,000	(195,000,000)	-	-	-	-
	1,221,778,973	(195,000,000)	60,697	(12,175,755)	50,884,382	1,065,548,297

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Schedule E: Long Term Debt
For the Year Ended December 31,2015

Title of Issue and Type of Obligation	Current Portion of Long-Term Debt in the Balance Sheet	Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
Parent Company			
Five year peso denominated loan		5,452,933,724	5,452,933,724
Seven year peso denominated loan		1,877,772,767	1,877,772,767
CHC's Subsidiaries			
Southern Philippines Power Corp.			
Seven-year dollar denominated floating rate note	45,176,732		45,176,732
Four and half-year U.S. dollar-denominated floating rate note	23,419,147		23,419,147
Mapalad Power Corporation			
Five and half year peso denominated fixed rate note	90,792,293	598,494,021	689,286,314
Short-term peso denominated fixed rate note			-
Sarangani Energy Corporation			
Thirteen and half year peso denominated debt	152,332,383	8,939,088,121	9,091,420,504
	311,720,556	16,868,288,633	17,180,009,189

Schedule H: Capital Stock

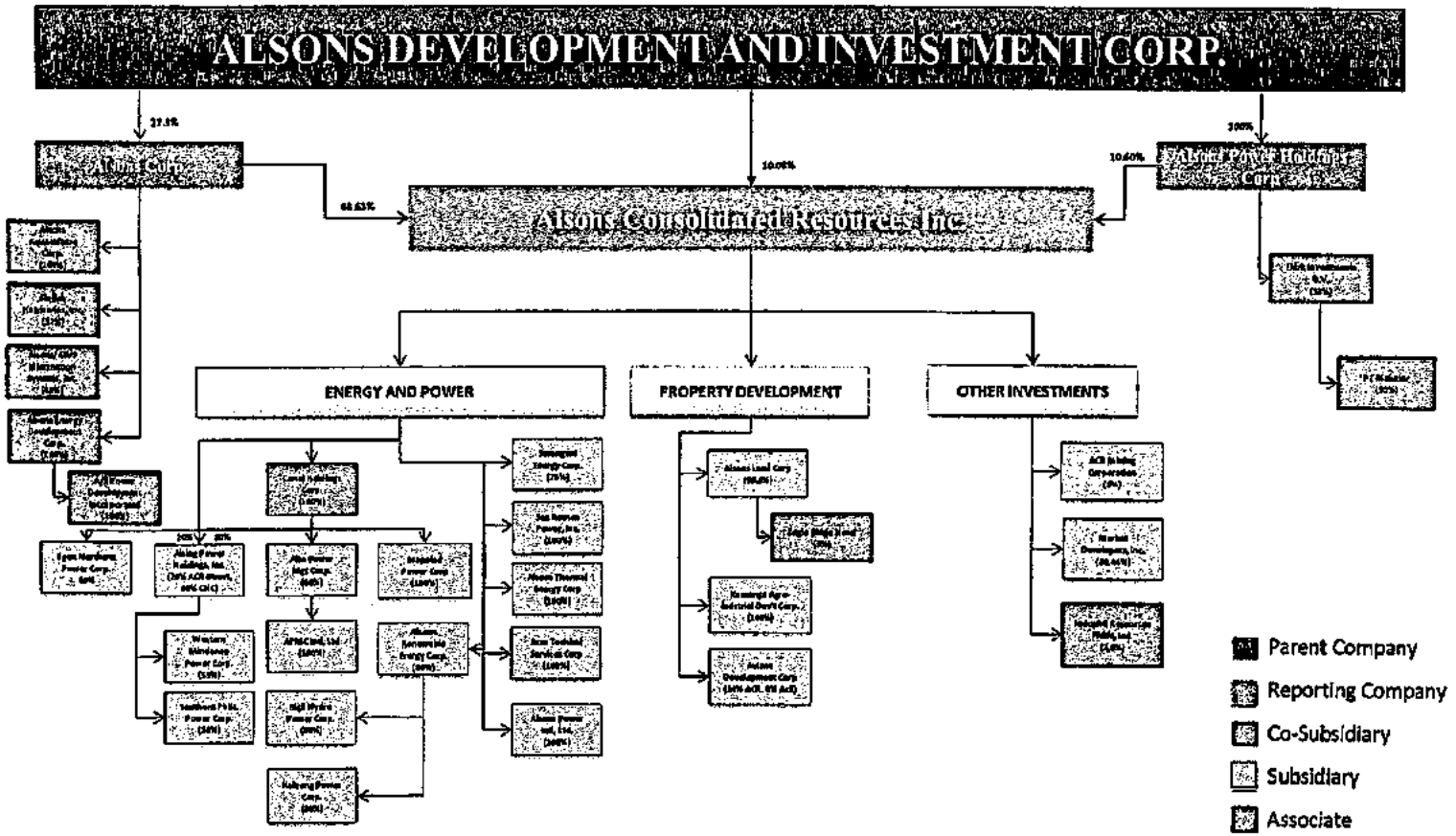
Title of Issue (2)	Number of Share authorized	Number of shares issued and outstanding	Number of shares reserved for options,	Number of shares held by affiliates	Directors, officers and employees	Others
		at shown under related balance sheet caption	Warrants, conversion and other rights		(as of December 31,2015)	
Common	11,945,000,000	6,291,500,000	None	5,031,047,698	600,406	1,259,851,896
Preferred	5,500,000,000	26,583,333		26,583,333		
	17,445,000,000	6,318,083,333		5,057,631,031	600,406	1,259,851,896

Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2015.

1) Indicate in a note any significant changes since the date of the last balance sheet filed.
2) Include in this column each type of issue authorized.
3) Affiliates referred to include affiliates for which separate financial statements are filed and those included in consolidated financial statements, other than the Issuer of the particular security.

ALSONS CONSOLIDATED RESOURCES, INC.
2286 Chino Roces Ave., Makati City
Schedule of Retained Earning Available for Dividend Declaration
December 31, 2015

Unappropriated Retained Earnings		537,121,992
Add: Mark-to-market loss - net		17,681,924
Unappropriated Retained Earnings, as adjusted to available to dividend distribution, beginning		554,803,916
Net loss during the period	(380,757,832)	
Less: Non-actual/unrealized income		
Mark-market gain on derivatives	(27,595,736)	
Net income actually earned during the period		(408,353,568)
Add (Less):		
Dividends during the period	(278,516,981)	
Reversal of appropriation of RE	400,000,000	121,483,019
Total Retained Earnings, End Available for Dividend Declaration		267,933,367


ALSONS DEVELOPMENT AND INVESTMENT CORP.
Alsons Consolidated Resources, Inc.
ENERGY AND POWER
PROPERTY DEVELOPMENT
OTHER INVESTMENTS
Parent Company
Reporting Company
Co-Subsidiary
Subsidiary
Associate

Additional Schedules
Balance Sheet

1. Accounts Receivable: Breakdown of Accounts Receivable as of December 31,2015

Accounts Receivable – Trade	Php800,852,430
Advances to Affiliates / Joint Ventures	867,129,580
Retention Receivable	47,364,378
Accounts Receivable – Others:	
Advances to contractors and suppliers	24,894,876
Advances to officers and employees	2,952,041
Advances for Business expenses	2,731,313
Miscellaneous and other Receivables	97,577,898
Total Accounts Receivable	1,843,502,516
Less: Allowance for doubtful accounts	(80,401,919)
Accounts Receivable – Net	**Php1,763,100,597**

2. Prepaid Expenses and Other Current Assets as of December 31, 2015

Deposits in IRA	556,024,208
Input Tax	170,065,078
Creditable Withholding Tax	103,458,809
Other Prepayments	64,629,550
	Php894,177,645

3. Accounts Payable and Accrued Expenses as of December 31, 2015

Accounts Payable – Trade	Php405,251,742
Payable to customers	199,495,999
Accrued interest	183,926,369
Output tax and withholding tax payable	107,363,534
Other accrued expenses	230,676,589
Accrued vacation and sick leave benefits	11,859,591
Advances from customers	27,441,600
Other current liabilities	182,518,124
Total Accounts Payable & Accrued Expenses	**Php1,348,533,548**

Income Statement

1. Breakdown of Revenues and Cost of Goods Sold and Services (December 31,2015)

	Revenues		Cost	
	Continuing	Discontinued	Continuing	Discontinued
Real Estate	Php8,275,233		Php6,150,862	
Services	5,013,421,116		3,065,882,264	
Total	Php5,021,696,349	Php0	Php3,072,033,126	Php0

2. Operating and Administrative Expenses for the year ending December 31, 2015

	Continuing	Discontinued
Personnel costs	Php126,057,967	
Taxes and licenses	67,332,201	
Others	59,184,612	
Outside services	53,346,521	
Utilities	43,411,504	
Depreciation and amortization	32,396,706	
Supplies	23,342,131	
Transportation and travel	15,099,561	
Telephone, telegram and postage	9,315,951	
Directors' and executive fees and bonuses	3,210,000	
Insurance	686,567	
Commissions	598,728	
Representation	132,518	
Gas and oil	-	
Total	Php434,114,967	Php0

SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc. had the following consolidated subsidiaries as of December 31,2015:

Name	Jurisdiction
Alsons Land Corporation	Philippines
Conal Holdings Corp.	Philippines

ACRI BUSINESS CHART

	Percentage Held by ACRI	Percentage Held by ACR Subsidiaries	Principal Activities
ENERGY & POWER			
CONAL HOLDINGS CORPORATION	100.00		Holding Company
-ALSING POWER HOLDINGS INC.	20.00	80.00	Holding Company
-WESTERN MINDANAO POWER CORPORATION		55.00	Power Generation
-SOUTHERN PHILIPPINES POWER CORP.		55.00	Power Generation
-ALTO POWER MANAGEMENT CORPORATION		60.00	General and Technical Power Plant Management
-APMC INTERNATIONAL LIMITED		100.00	General and Technical Power Plant Management
-MAPALAD POWER CORPORATION		100.00	Power Generation
-FGEN NORTHERN POWER CORPORATION		60.00	Power Generation
SARANGANI ENERGY CORPORATION	75.00		Power Generation
ALSONS RENEWABLE ENERGY CORPORATION	80.00		Holding Company
-SIGUIL HYDRO POWER CORPORATION		80.00	Power Generation
-KALAONG POWER CORPORATION		80.00	Power Generation
ALSONS THERMAL ENERGY CORPORATION	100.00		Power Generation
SAN RAMON POWER INC.	100.00		Power Generation
ALSONS POWER INTERNATIONAL LTD.	100.00		Power Generation
REAL ESTATE DEVELOPMENT			
ALSONS LAND CORPORATION	99.55		Property Development
OTHER INVESTMENTS			
ACR MINING CORPORATION (formerly ACR Management Corporation)	9.00		Exploration and Mining
MADE (Market Developers), INC.	80.44		Marketing and Distribution of Construction Material
KAMANGA AGRO-INDUSTRIAL ECOZONE DEVELOPMENT CORP.	100.00		Agro-Industrial Economic Zone
ACES TECHNICAL SERVICES CORPORATION	100.00		Management Services

ALSONS CONSOLIDATED RESOURCES, IN

Schedule I: Computation of Public Ownership as of December 31,2015

Number of Shares Issued and Outstanding		% to Total I/O Shares	Number of Shares Common 6,291,500,000	% to Total I/O Shares	Preferred 26,583,333
DIRECTORS:					
TOMAS I. ALCANTARA		0.0000%	1		
EDITHA I. ALCANTARA		0.0016%	100,000		
ALEJANDRO I. ALCANTARA		0.0000%	1		
CARLOS G. DOMINGUEZ		0.0000%	100		
TIRSO G. SANTILLAN JR.		0.0000%	1		
RAMON T. DIOKNO		0.0000%	1		
CONRADO C. ALCANTARA		0.0000%	1		
HONORIO A. POBLADOR III		0.0000%	100		
JACINTO C. GAVINO JR.		0.0000%	1		
JOSE BEN R. LARAYA		0.0000%	100		
THOMAS G. AQUINO		0.0000%	100		
SUB - TOTAL		0.0016%	100,406		
OFFICERS:					
TOMAS I. ALCANTARA	PRESIDENT	0.0000%	-		
TIRSO G. SANTILLAN JR.	EXEC. VICE PRESIDENT	0.0000%	-		
EDITHA I. ALCANTARA	TREASURER	0.0000%	-		
LUIS R. YMSON JR.	CHIEF FINANCIAL OFFICER	0.0000%	-		
ROBERTO SAN JOSE	CORPORATE SECRETARY	0.0080%	500,000		
ANGEL M. ESGUERRA III	ASST. CORPORATE SECRETARY	0.0000%	-		
SUB - TOTAL		0.0080%	500,000		
PRINCIPAL STOCKHOLDERS:					
ALSONS CORPORATION		41.2100%	2,592,524,072	100.0000%	26,583,333
ALSONS POWER HOLDINGS CORP.		19.8700%	1,249,999,600		
ALSONS DEV'T & INVESTMENT CORP.		18.8900%	1,188,524,026		
SUB - TOTAL		79.9700%	5,031,047,698		26,583,333
TOTAL SHARES HELD BY DIRECTORS, OFFICERS, PRINCIPAL STOCKHOLDERS & AFFILIATES		79.9796%	5,031,648,104	100.0000%	26,583,333
TOTAL NUMBER OF SHARES OWNED BY THE PUBLIC		20.0204%	1,259,851,896	-	-

Alsons Consolidated Resources, Inc. and Subsidiaries
Schedule of Financial Soundness

Financial KPI	Definition	Years Ended December 31	
		2015	2014
Liquidity Current Ratio / Liquidity Ratio	Current Assets / Current Liabilities	3.90:1	3.17:1
Solvency Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable / (Capital Stock+Non-controlling interest+RE)	1.98:1	1.50:1
Interest Rate Coverage Ratio Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	4.41:1	6.17:1
Profitability Ratio Return on Equity	Net Income / Total Average Stockholders' Equity	7%	7%
Asset-to-Equity Ratio Asset-to-Equity Ratio	Total Assets / Total Equity	2.90:1	2.48:1

Annex "D"

Alsons Consolidated Resources, Inc. and Subsidiaries

Reports on SEC Form 17-C filed during the Year Ended December 31, 2015

Alsons Consolidated Resources, Inc.
SEC Form 17-C

Summary of Disclosures filed to the Office of the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) during the year ended 31 December 2015:

Date Filed	Description
05 January 2015	An Advisory on the Attendance of the Board of Directors at 2015 Board Meetings.
30 January 2015	An Advisory on setting the date of the Annual Stockholders' Meeting of the Company to be held on 22 May 2015 and the record date on 13 April 2015.
25 February 2015	Report on the lost stock certificate no. 19487, registered under the name of Mr. Generoso F. Balmeo containing 600,000 shares.
30 March 2015	An advisory on the results of the Board of Directors meeting held on 27 March 2015 reported that ACR Revenues increase 55% in 2014; the approval of the audited financial statements for year ended 31 December 2014; and the declaration of all of the Company's shares in ACR Minining Coporation as a property dividend.
06 April 2015	In compliance with PSE Memorandum No. 2014-0002 dated January 10, 2014, submission of the "PSE Corporate Governance Guidelines Disclosure Survey for the year 2014"
15 April 2015	Submission of SEC Form 17-A Annual Report Year Ended December 31, 2014 together with the "Annual Corporate Governance Report" ACGR Consolidated Changes for the Calender Year 2014.
27 April 2015	A reply to the PSE query on the news articles entitled "Alsons to bid for Agus-Pulangi Hydro Power" posted in the Manila times (Internet Edition) on April 24, 2015; and the news posted in Inquirer.net on April 27, 2015 entitled "Alsons seeks partners for hydro power", and confirming the contents of both articles.
22 May 2015	Notice of Cash Dividend Declaration in the amount of ₱0.01 per share out of unrestricted retained earnings as of 31 December 2014, stockholders of record as of 05 June 2015 and payable on 16 June 2015; and the Board also confirmed that 5 June 2015 be the record date of the property dividend declared on 27 March 2015, but payment date will be within 30 days after the Certificate Authorizing Registration from the BIR is obtained.
22 May 2015	Disclosure on the Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on 22 May 2015 at New World Makati Hotel..
25 May 2015	A reply to the PSE query on the news articles entitled "Toyota Tsusho joins Alson' power plant in Zamboanga plant" posted in the ManilaStandardToday.com on 24 May 2015 confirming the contents of the article.

25 June 2015	A reply to the PSE query on the news articles entitled "Alcantaras acquire Tampakan Project" posted in the inquirer.net on 25 June 2015 clarifying the contents of the article.
10 August 2015	Approval of the Unaudited Second Quarter Financial Statements of the Company and a press statement disclosing that "Alsons reports 41% Jump in First-Half 2015 Income."
26 August 2015	A reply to the PSE query on the news articles entitled "Sarangani coal plant to start commercial operations by October" posted in the Interaksyon.com on 25 August 2015 clarifying the contents of the article.
01 September 2015	Notice on the date of approval by the Securities and Exchange Commission on the property dividend.
21 October 2015	A reply to the PSE query on the news articles entitled "Bracing for Growth" posted in the inquirer.net on 21 October 2015 confirming the contents of the article.
09 November 2015	Approval of the Unaudited Third Quarter Financial Statements of the Company and a press statement entitled "Increased diesel power sales drive Alsons 9-month consolidated net income up 19%."
09 November 2015	A reply to the PSE query on the news articles entitled "Debt Deal" posted in the inquirer.com on 9 November 2015 clarifying the contents of the article.
11 November 2015	Certificates of Completion in Corporate Governance Seminar of the Directors and Key Officers of the Company.
13 November 2015	A reply to the PSE query on the news articles entitled "Alsons to pursue Mindanao expansion" posted in the BusinessMirror on 13 November 2015 confirming the contents of the article.
16 November 2015	A reply to the PSE query on the news articles entitled "Alsons in talks with potential investors" posted in BussinessMirror on 16 November 2015 confirming the contents of the article.
26 November 2015	A press statement disclosing that Alsons Consolidated Resources, Inc., Secures $73.5 Million Loan"

C06326-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 26, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   Alsons Consolidated Resources, Inc.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   +6329823000
9. Former name or former address, if changed since last report
   N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common shares at P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Press Release

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

the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Alsons taps ING for 7.5 Billion Peso Note Issuance

Background/Description of the Disclosure

Please see attached

Other Relevant Information

-

Filed on behalf by:

Name	Jose Seldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 26, 2015

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

This is to inform the Exchange that ACR entered into an Omnibus Notes Facility and Security Agreement for the issuance of Fixed Rate Corporate Notes in the amount 7.5 Billion Pesos. The Notes will have 5-year and 7-year tranches and the proceeds from the issuance of such notes will be used to prepay an existing loan facility and to finance its investment in power-related assets. ING Bank N.V., Manila Branch is the Issue Manager and Bookrunner for the transaction.

We are also furnishing the Exchange a copy of the Press Statement by the Company entitled: "Alsons Taps ING for 7.5 Billion Peso Note Issuance".

We trust that you will find the foregoing in order.

Very truly yours,

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Alternate Information Officer

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources
lry@alcantaragroup.com (02) 982 3026

Alsons taps ING for 7.5 Billion-Peso Note Issuance

Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, announced that it has entered into an Omnibus Notes Facility and Security Agreement for the issuance of Fixed Rate Corporate Notes in the amount of 7.5 Billion Pesos. The Notes will have 5-year and 7-year tranches and the proceeds from the issuance of such notes will be used to prepay an existing loan facility and to finance its investment in power-related assets. ING Bank N.V., Manila Branch is the Issue Manager and Bookrunner for the transaction.

ACR is Mindanao's first and most experienced independent power producer. It currently operates the 103 MW diesel power plant of the Mapalad Power Corporation (MPC) in Iligan City, the Southern Philippines Power Corporation's (SPPC) 55 MW power plant in Alabel, Sarangani, the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City. All three diesel plants have significantly contributed to alleviating the power shortage in Mindanao.

ACR is developing coal-fired power facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani.

The first 105 MW section of the SEC plan is now in the advanced stages of testing and commissioning, and will begin commercial operations in the first quarter of 2016 with an initial capacity of 105 MW. The SEC plant is expected to be operating at its full 210 MW capacity in 2018. The SRPI power facility in Zamboanga City is expected to begin construction in 2016 and is slated to operate by 2019.

ACR is likewise entering the renewable energy sphere with the development of a 15 MW run of river hydroelectric plant along the Siguil River in Maasim, Sarangani. The Siguil plant is targeting to begin construction in 2016. ACR-affiliated power facilities are expected to have a total generating capacity of 588 MW by 2019. The said capacity will fulfill more than 25% of Mindanao's projected peak demand for that year.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over 50 years.

###

C06205-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 16, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification of News Report entitled "Alsons in talks with potential investors" posted in BusinessMirror (Internet Edition) on November 16, 2015

Source	BusinessMirror (Internet Edition)
Subject of News Report	"Alsons in talks with potential investors"
Date of Publication	Nov 16, 2015

Clarification of News Report

Please see attached letter reply to PSE

Other Relevant Information

-

Filed on behalf by:

Name	Jose Galdivar, Jr.
Designation	Finance Manager

Legal copy

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 16, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

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

Subject : **Alsons Consolidated Resources, Inc.**

Dear Madam:

We reply to your email dated November 16, 2015 with regard to the attached news article entitled "Alsons in talks with potential investors" posted in BusinessMirror (Internet Edition) on November 16, 2015, which reported among others, the following:

> "ALSONS Consolidated Resources Inc. (ACRI) of the Alcantara Group is in talks with potential investors, both foreign and local, in line with its plans to further cement its position in the lucrative power sector.
>
> The company is mum on this, but a highly placed source identified two of the many potential investors that could be interested to join the company.
>
> 'The two possible interested investors are MGen [Meralco PowerGen Corp.] and Malakoff of Malaysia,' the source said.
>
> . . . ."

ACR has not made any official statements in connection with potential investors to the Company, and have no knowledge of any highly placed source providing such information as written. We reiterate that we will inform the PSE and the public if there should be any material disclosures relating to the above.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

C08163-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 13, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification of News Report entitled "Alsons to pursue Mindanao expansion" posted in BusinessMirror on November 13, 2015

Source	BusinessMirror
Subject of News Report	"Alsons to pursue Mindanao expansion"
Date of Publication	Nov 13, 2015

Clarification of News Report

Please see attached letter reply to PSE.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Meneger

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tuazon Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 13, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

We reply to your email dated November 13, 2015 with regard to the attached news article entitled "Alsons to pursue Mindanao expansion" posted in BusinessMirror on November 13, 2015, which reported among others, the following:

> "Alsons Consolidated Resources Inc. will proceed with a $920-million expansion to more than double its power-generating capacity in Mindanao by 2019, even as the southern Philippine island faces a possible oversupply. . . .
>
> Stake sale
>
> Alsons has hired ING Bank NV to arrange a P7.5-billion ($159-million) loan and is considering selling as much as 32 percent of the company, valued at about P3.16 billion based on Alsons' market value, to help fund expansion, Ymson said.
>
> There are four groups seeking to acquire a stake in the company, he said, declining to name the prospective buyers. Direct stakes in the power plants may also be sold should that be preferred by investors, he added.
>
> . . . .
>
> The company also plans to venture into hydro and solar power projects, which in five years could account for 10 percent of its generating capacity, Ymson said. It has contracts to build hydropower plants in Mindanao and central Philippines with a combined 90 MW capacity, he said."

We confirm the information written in the above quotations from the said article.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

CR07027-2015

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	Advisement Letter
Report Period/Report Date	Nov 11, 2015

Description of the Disclosure

Certificate of Attendance of Alsons Consolidated Resources Inc. Directors and Officers to Corporate Governance Seminar

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 10, 2015

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporate Governance & Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Re: **Compliance with SEC Memorandum Circular No. 20, Series of 2013**

Gentlemen:

We are pleased to submit herewith the copies of Certificate of Attendance of ALSONS CONSOLIDATED RESOURCES, INC. Directors and Officers who attended the latest **Corporate Governance Seminar.** Further details are provided as follows:

Directors/ Key Officers	Date(s) Seminar Attended	Accredited Service Provider
Tomas I. Alcantara (Chairman & President)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Editha I. Alcantara (Director-Treasurer)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Alejandro I. Alcantara (Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Tirso G. Santillan, Jr. (Director-EVP)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Honorio A. Poblador, III (Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Ramon T. Diokno (Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.

Conrado C. Alcantara (Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Carlos G. Dominguez (Director)	01 September 2015	Center for Training and Development, Inc.
Jose Ben R. Laraya (Independent Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Thomas G. Aquino (Independent Director)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Luis R. Ymson, Jr. (Chief Financial Officer & Compliance Officer	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Roberto V. San. Jose (Corporate Secretary)	21 April 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Angel M. Esguerra, III (Assistant Corporate Secretary)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Esperidion D. Develos, Jr. (Chief Audit Executive)	06 November 2015	Risks, Opportunities, Assessment and Management (ROAM), Inc.

We trust that you will find our submission in order.

Very truly yours,

ANGEL M. ESGUERRA, III
Asst. Corporate Secretary &
Alternate Information Officer

C06020-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 9, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 pa value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CLARIFICATION OF NEWS ARTICLE UNDER BIZ BUZZ COLUMN ENTITLED "DEBT DEAL"

Source	POSTED IN INQUIRER.NET
Subject of News Report	DEBT DEAL
Date of Publication	Nov 9, 2015

Clarification of News Report

Please see attached letter reply to PSE

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 9, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

We reply to your email dated November 9, 2015 with regard to the attached news article under Biz Buzz column entitled "Debt Deal" posted in Inquirer.net on November 9, 2015, which reported among others, the following:

> "THE ALCANTARA family's Alsons Consolidated Resources Inc. (ACR) was the subject of some speculation in recent weeks leading up to a Nov. 6 board meeting when the potential entry of new investors was supposedly set to be tackled.
>
> Apart from the company's nine-month earnings results, however, the company had nothing juicy to disclose out of last Friday's board meeting.
>
> But in the next few weeks, the company is expected to foray into the local debt market by selling as much as P7.5 billion in bonds to selected institutional investors. Dutch financial giant ING Bank is working as bookrunner and underwriter of this offering of corporate notes, which will have a base offer size of P6 billion plus P1.5 billion in overallotment.
>
> For now, ACR is keener to sell debt rather than equity to fund large-scale expansion plans, including those in the power sector."

As in our previous letter to the Exchange dated October 21, 2015 wherein we wrote that Alsons Consolidated Resources continues to look for equity and debt raising options for its expansion plans, we confirm that ING Bank is working to raise up to ₱7.5 Billion in bonds for the Company. Again, we assure the Exchange and the public that once any definitive and material information on this debt raising is finalized, we will disclose the same.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

C06019-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 9, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Press Release

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange,

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Statement entitled: INCREASED DIESEL POWER SALES DRIVE ALSONS 9-MONTH CONSOLIDATED NET INCOME UP 19%"

Background/Description of the Disclosure

Please see attached.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 9, 2015

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are pleased to inform the Exchange that the Board of Directors of Alsons Consolidated Resources, Inc. approved on Friday, 06 November 2015 the Unaudited Third Quarter Financial Statements of the Company.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Increased diesel power sales drive Alsons 9-month consolidated net income up 19%".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2015-08

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources
lry@alcantaragroup.com (02) 982 3026

Increased diesel power sales drive Alsons 9-month consolidated net income up 19%.

In a meeting of the board of directors last Friday, November 6, 2015, Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, reported a 19% rise in consolidated net income for the first nine months of 2015, to P685 Million from P574 Million in the same period in 2014. Despite the lower price indices used in computing tariffs for the period, net income still increased due to the higher dispatch of electricity sold by its three diesel-fired power plants namely — the 103MW Mapalad Power in Iligan City, the 100MW Western Mindanao Power in Zamboanga City, and the 55MW Southern Philippines Power in Alabel, Sarangani Province. For the nine-month period, these three plants sold 1.065 Million Megawatt hours of electricity – 17% more than the 910 Thousand Megawatt hours sold in the same period last year. All three Alsons diesel plants have significantly contributed to alleviating the power shortage in Mindanao.

Parent net income was slightly lower at P275 Million against the P307 Million registered in the same period last year. The decline came from a revaluation of the dollar-denominated debt registered at parent level coming from the recent weakening of the Philippine Peso versus the US Dollar. Without this non-recurring loss, parent income would have been P474 Million for the 9-month period- 54% higher than last year's net income attributable to the parent.

In the same meeting, the board also approved the creation of a new subsidiary to act as the holding company that will house all of the coal-fired power plant assets and projects which ACR is currently developing. ACR is developing coal-fired power facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani.

The first 105 MW section of the SEC plan is now in the advanced stages of testing and commissioning, and will begin commercial operations in the first quarter of 2016 with an initial capacity of 105 MW. The SEC plant is expected to be operating at its full 210 MW capacity in 2018. The SRPI power facility in Zamboanga City is expected to begin construction in 2016 and is slated to operate by 2019.

ACR is likewise entering the renewable energy sphere with the development of a 15 MW run of river hydroelectric plant along the Siguil River in Maasim, Sarangani. The Siguil plant is targeting to begin construction in 2016. ACR-affiliated power facilities are expected to have a total generating capacity of 588 MW by 2019. The said capacity will fulfill more than 25% of Mindanao's projected peak demand for that year.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

C05667-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Oct 21, 2015
2. SEC Identification Number
   59368
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange,

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification of New Reports entitled "Bracing for Growth"

Source	Biz Buzz column posted in Inquirer.net
Subject of News Report	Bracing for Growth
Date of Publication	Oct 21, 2015

Clarification of News Report

Please see attached letter reply to PSE.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Wednesday, 21 October 2015 11:32 AM

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 21, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

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

Dear Madam:

We reply to your email dated October 21, 2015 with regard to the attached news article under Biz Buzz column entitled "Bracing for Growth" posted in Inquirer.net on October 21, 2015, which reported among others, the following:

> "THE ALCANTARA family's Alsons Consolidated Resources Inc. is looking at various options to fund large-scale expansion plans, including the possibility of taking in new investors or strategic partners. Alsons, after all, has interests in capital-intensive industries like power generation, property development and mining.
>
> We heard that Alsons had talked with ENGIE, a French utility firm interested in the local firm's power business, but buy-in talks did not prosper. Alsons continues to explore its options and is open to new investors, a well-placed source said. If at all, the source said any new investor would come into the parent company level and the family is more likely to keep majority control.
>
> Meanwhile, the source noted that apart from selling equity, Alsons could also choose to raise fresh funds for expansion through the issuance of debt notes.
>
> . . . ."

We confirm Alsons Consolidated Resources is continuing to look for various options, both in equity and debt, to raise funds for its expansion plans. ENGIE is one of the various interested investors into the Company but to-date, any discussions with them and other interested parties are still exploratory. We assure the Exchange and the public that once any definitive and material information on fund raising activities is available, we will disclose the same.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

C04881-2015

Ex-Date : Jun 02, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Sep 1, 2015
2. SEC Identification Number
   59368
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 DON CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK - PhP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    Property Dividend Declaration

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-3 - Declaration of Property Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PROPERTY DIVIDEND

Background/Description of the Disclosure

DECLARATION OF 100% WHOLLY-OWNED SUBSIDIARY ACR MINING CORPORATION (ACRMC) AS PROPERTY DIVIDEND

Type of Securities

- Common
- Preferred -
- Others -

Property Dividend

Date of Approval by Board of Directors	Mar 27, 2015
Date of Approval by Stockholders	May 22, 2015
Date of Approval by Securities and Exchange Commission, if applicable	Aug 11, 2015
Other Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Relevant Regulatory Agency, if applicable	TBA

Property to be Distributed	ALL COMMON SHARES OF ACR MINING CORPORATION (ACRMC)
Entitlement Ratio	1 ACRMC SHARES FOR EVERY 200 ACR SHARES HELD
Record Date (to be determined after necessary approvals)	Jun 5, 2015
Payment Date (to be determined after necessary approvals)	TBA

Other Relevant Information

THIS REPORT IS BEING AMENDED TO INCLUDE THE DATE OF APPROVAL BY SECURITIES AND EXCHANGE COMMISSION OF THE ABOVE-MENTIONED PROPERTY DIVIDEND. (PLEASE SEE ATTACHED COPY OF CERTIFICATE OF FILING THE NOTICE OF PROPERTY DIVIDEND DECLARATION).

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. 59366

CERTIFICATE OF FILING THE NOTICE OF PROPERTY DIVIDEND DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the notice of property dividend declaration of

ALSONS CONSOLIDATED RESOURCES, INC.

consisting of 31,457,487 common shares of ACR MINING CORPORATION worth P31,457,487.00 payable to its stockholders of record as of June 05, 2015 has been noted and attached to its records on file with this Commission since it has retained earnings sufficient to warrant the referenced dividend

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 11th day of August, Twenty Fifteen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

C04798-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Aug 26, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification of News Reports entitled "Sarangani coal plant to start commercial operations by October"

Source	InterAksyon.com
Subject of News Report	"Sarangani coal plant to start commercial operations by October"
Date of Publication	Aug 25, 2015

Clarification of News Report

Please see attached letter reply to PSE.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol 'ACR')
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

August 26, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

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

Subject : **Alsons Consolidated Resources, Inc.**

Dear Madam:

We reply to your email dated August 26, 2015 with regard to the attached news article entitled "Sarangani coal plant to start commercial operations by October" posted in Interkasyon.com on August 25, 2015, which reported among others, the following:

> "GENERAL SANTOS CITY -- Energy firm Alsons Power Group is targeting to start by October the commercial streaming of the initial phase of its 210-megawatt (MW) coal-fired power plant in Maasim town in Sarangani province.
>
> Joel Aton, quality assurance manager of Alsons Power's subsidiary Sarangani Energy Corporation (SEC), on Monday said the company is currently finalizing the arrangements for the commissioning and operationalization of the 105 MW component of the P13-billion power plant project.
>
> 'We're on track right now in terms of the October target for our commercial operations,' he said in an interview.
>
> Aton said the construction of the plant's remaining 105 MW component or second phase is currently ongoing and is due for completion by the end of 2016.
> . . . ."

We confirm the information written in the above quotations from the said article except for the following updated information:

a) Commercial operations of the first phase of the Sarangani Energy plant will commence on the first quarter of 2016; and,

b) The commencement of construction of the second phase will be in 2016, due for completion in 2018.

We trust the foregoing updated information is in order.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

C04456-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Aug 10, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Press Release

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange,

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Statement entitled "ALSONS REPORTS 41% JUMP IN FIRST-HALF 2015 INCOME"

Background/Description of the Disclosure

Please see attached.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Seldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

August 10, 2015

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are pleased to inform the Exchange that the Board of Directors of Alsons Consolidated Resources, Inc. approved on Friday, 07 August 2015 the Unaudited Second Quarter Financial Statements of the Company.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons reports 41% jump in First-Half 2015 income".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2015-08

Alsons Consolidated Resources, Inc.

Results of the Board of Directors meeting held August 7, 2015

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources, Inc.
lry@alcantaragroup.com (02) 982 3026

Alsons reports 41% jump in First-Half 2015 Income

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) - the publicly-listed company of the Alcantara Group, reported a 41% rise in net income attributable to the parent to P218.9 Million in the first-half of 2015 from P155.5 Million in the first-half of 2014. These figures translate to earnings per share for of P0.035 in 2015 as against P0.025 in the same period last year. Consolidated net income grew 34% to P484 Million in 2015 as against P361 Million in 2014.

ACR's revenues for the first- half of 2015 were at P2.5 Billion - identical to the company's revenues for the same period in 2014. ACR's three operating diesel power plants in Mindanao continue to be the main revenue drivers for the company. The three diesel plants sold 12% more electricity during the period from 633 GWH in 2014 to 709 GWH in 2015 triggered by the continuous shortage of power in Mindanao.

Gross profit in the first half of 2015 rose 27% to P972 Million from P766 Million in the same period last year due to lower cost of sales figures. Gross profit margins in the first half of the year improved from 31% in 2014 to 39% in 2015.

The company also announced the recent approval by the Securities and Exchange Commission (SEC) of ACR's declaration of wholly-owned subsidiary ACR Mining Corporation (ACRMC) as a property dividend. Under the property dividend, shareholders of ACR as of the projected record date will receive shares in ACRMC. ACRMC currently has rights to a 75% participating interest in a joint venture to develop a mining project covering 1,547.32 hectares in Nabunturan, Davao del Norte and Maco, Compostela Valley. ACR said that actual distribution of the ACRMC shares can be made only after obtaining clearances and approvals from other regulatory agencies. The date for the distribution of ACRMC shares will be announced soon after the appropriate clearances are secured

ACR's currently-operating power generation facilities are: the 103 MW diesel power plant of the Mapalad Power Corporation (MPC) in Iligan City; the Southern Philippines Power Corporation's (SPPC) 55 MW power plant in Alabel, Sarangani; and the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City. All three diesel plants have significantly contributed to alleviating the power shortage in Mindanao.

Alcantara Consolidated Resources Inc.

ACR is also developing coal-fired power facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani. The SEC plant is in the advanced stages of construction and will begin commercial operations within the first quarter of 2016 with an initial capacity of 105 MW. The SEC plant is expected to be operating at its full 210 MW capacity in 2018.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

11 August 2015

Securities & Exchange Commission
Attn.: **Director Justina F. Callangan**
Corporate Governance & Finance Dept.
S.E.C. Building, EDSA, Mandaluyong City

Philippine Stock Exchange
Attn.: **Ms. Janet A. Encarnacion**
Head – Disclosure Department
Ayala Triangle, Ayala Avenue, Makati City, Metro Manila

Re : **Declaration of ACR Mining Corp. as Property Dividend**

Gentlemen:

In reply to your e-mail dated 11 August 2015 with regards to the disclosure of Alsons Consolidated Resources, Inc. dated August 10, 2015 regarding its first-half 2015 income, which reported, among others, the following:

> ". . . The company also announced the recent approval by the Securities and Exchange Commission (SEC) of ACR's declaration of wholly-owned subsidiary ACR Mining Corporation (ACRMC) as a property dividend. . . ."

We would like to clarify that at the Board of Directors Meeting of Alsons Consolidated Resources, Inc. ("ACR") held 7 August 2015, the Board was informed that the Securities and Exchange Commission approved on August 6, 2015 the final processing of ACR's application declaring ACRMC shares as property dividend. We expect that the Certificate of Filing of Property Dividend Declaration will be released within the next two weeks.

The actual distribution date, however, can only be disclosed to the public as soon as the Bureau of Internal Revenue issues its Certificate Authorizing Registration (CAR).

We trust the foregoing is in order.

Very truly yours,

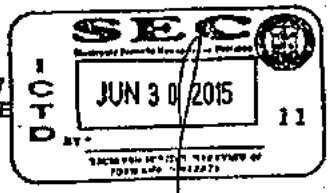
Luis R. Yanson, Jr.
Chief Financial Officer

C03457-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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



1. Date of Report (Date of earliest event reported)
   Jun 25, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate

disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification to News Article entitled: "Alcantaras acquire Tampakan Project" posted in the Inquirer.net on June 25, 2015

Source	Inquirer.net
Subject of News Report	"Alcantaras acquire Tampakan project"
Date of Publication	Jun 25, 2015

Clarification of News Report

Please see attached letter reply to PSE.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

June 25, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

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

Subject : **Alsons Consolidated Resources, Inc.**

Dear Madam:

We reply to your email dated June 25, 2015 with regard to the attached news article entitled: "Alcantaras acquire Tampakan project" posted in the *inquirer.net* on June 25, 2015, which reported, among others, the following:

> "Anglo-Swiss multinational commodity trading and mining firm Glencore Plc has completed its exit from the controversial Tampakan project, touted as Southeast Asia's largest untapped gold-copper reserve, with the sale of its remaining shares to the Alcantara group.
>
> The deal allowed the Alcantara group, which controls Indophil Resources NL, to consolidate its control of the Tampakan project.
>
> In a statement from its headquarters in Baar, Switzerland, on Wednesday, Glencore said that following its disposal of shares in Indophil Resources NL (Indophil), a deal was executed by a subsidiary to sell its remaining interest in the Tampakan project.
>
> Glencore owned 62.5 percent of Sagittarius Mines Inc., the owner of the Tampakan project, while the remaining 37.5 percent was owned by Indophil, which is controlled by the Alcantara group through Alsons Prime Investments Corp. (Apic).
>
> Apic took over Indophil in January 2015.
>
> The new deal thus completed the Alcantara group's full takeover of the Tampakan project and brought it back to Filipino hands.

Glencore said the agreement included a number of conditions that were required to be obtained prior to the targeted closing on June 30, 2015, subject to mutual agreement to extend such date.

The Tampakan area is estimated to contain 15 million tons for copper and almost 18 million ounces of contained gold.

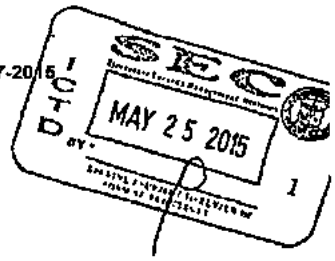
The Alcantara group exercised its right of first refusal over the shares of Glencore in Tampakan."

Please be informed that it is Alsons Prime Investments Corp. (APIC), a privately-held company of the Alcantara Group, that is referred to in this article and not Alsons Consolidated Resources, Inc. (ACR).

We trust that we fully answered your query and that the trading participants have been properly informed.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer



C02847-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 25, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK - PHP1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    9

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CLARIFICATION TO NEWS ARTICLE ENTITLED: "TOYOTA TSUSHO JOINS ALSONS' POWER PLANT IN ZAMBOANGA PLANT" POSTED IN THE MANILASTANDARDTODAY.COM ON MAY 24, 2015

Source	manilastandardtoday.com
Subject of News Report	'TOYOTA TSUSHO JOINS ALSONS' POWER PLANT IN ZAMBOANGA PLANT
Date of Publication	May 24, 2015

Clarification of News Report

PLEASE SEE ATTACHED.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 25, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

We reply to your email dated May 25, 2015 with regard to the attached news article entitled: "Toyota Tsusho joins Alsons' power plant in Zamboanga plant" posted in the *manilastandardtoday.com* on May 24, 2015, which reported, among others, the following:

> "Toyota Tsusho Corp., the trading company of the Toyota Group of Japan, has agreed to invest in the 105-megawatt San Ramon coal-fired power plant project in Zamboanga City that will be built by Alsons Consolidated Resources Inc., a top executive said over the weekend.
>
> 'We always open to receiving other partners...Our interest is to be able to maintain majority, 51 [percent], the balance we are open to considering Toyota or even others,' Alsons chairman and president Tomas Alcantara told reporters.
>
> Alcantara said Toyota Tsusho, the company's partner in the 210-MW Sarangani coal project, will also take a 25-percent stake in the San Ramon project. Alsons is open to Toyota Tsusho taking a higher in the project, he said.
>
> 'Toyota Tsusho is our long-term investor and partner. They have already manifested interest. In San Ramón, they are part of the development group already,' Alcantara said.
>
> . . . .
>
> Alsons chief finance officer Luis Ymson Jr. said consolidated net income was expected to reach P1.147 billion this year, up 58 percent from P727 million in 2014 due to additional revenues from the Mapalad power plant and the start of operations of the Sarangani coal project.

Revenues are seen rising to P5.323 billion this year from P5.18 billion in 2014 arising from the additional generation capacities.

Alcantara said net income would continue to go up 'because we will put on stream revenue generating and income generating projects.'

. . . ."

We confirm the information written in the above quotations from the said article.

We trust that we have fully answered your query and that all trading participants shall be properly informed.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

SEC
MAY 25 2015
C02834-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 22, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock Php1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    9

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-24 - Results of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of the Annual Stockholders' Meeting

Background/Description of the Disclosure

Results of the 2015 Annual Stockholders' Meeting

List of elected directors for the ensuing year with their corresponding shareholdings in the issuer

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
TOMAS I. ALCANTARA	1	0 -	
EDITHA I. ALCANTARA	100,000	0 -	
ALEJANDRO I. ALCANTARA	1	0 -	
JACINTO C. GAVINO, JR.	1	0 -	
RAMON T. DIOKNO	1	0 -	
JOSE BEN R. LARAYA	100	0 -	
CONRADO C. ALCANTARA	1	0 -	
HONORIO A. POBLADOR III	100	0 -	
THOMAS G. AQUINO	100	0 -	
TIRSO G. SANTILLAN, JR.	1	0 -	
CARLOS G. DOMINGUEZ	100	0 -	

External auditor SYCIP GORRES VELAYO & CO.

List of other material resolutions, transactions and corporate actions approved by the stockholders

1. Approval of the Minutes of the Annual Meeting of Stockholders' held on May 23, 2014.
2. Approval of the Annual Report of management and Audited Financial Statements for the year 2014.
3. Ratification of Acts and Resolutions of the Board, its Committees and Management for the year 2014.
4. Re-Appointment of Sycip, Gorres, Velayo & Co. as External Auditor for the year 2015.

Other Relevant Information

Please see attached disclosure letter.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

C02837-2015
SEC
MAY 26 2015
ICTD
BY:
RECEIVED SUBJECT TO REVIEW AND CLEARANCE
1

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 22, 2015
2. SEC Identification Number
   59356
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock PhP1.00 par value	8,291,500,000

11. Indicate the item numbers reported herein
    9

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-25 - Results of Organizational Meeting
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of the Organizational Meeting

Background/Description of the Disclosure

Results of the Organizational Meeting of the Board of Directors held on May 22, 2015

List of elected officers for the ensuing year with their corresponding shareholdings in the issuer

Name of Person	Position/Designation	Shareholdings in the Listed Company		Nature of Indirect Ownership
		Direct	Indirect	
Tomas I. Alcantara	Chairman and President	1	0	-
Tirso G. Santillan, Jr.	Executive Vice-President	1	0	-
Editha I. Alcantara	Treasurer	100,000	0	-
Luis R. Ymson, Jr.	Chief Financial Officer	0	0	-
Roberto V. San Jose	Corporate Secretary	500,000	0	-
Angel M. Esguerra, III	Assistant Corporate Secretary	0	0	-

List of Committees and Membership

Name of Committees	Members	Position/Designation in Committee
Executive Committee	Tomas I. Alcantara	Chairman
Executive Committee	Editha I. Alcantara	Member
Executive Committee	Thomas G. Aquino	Member
Executive Committee	Jose Ben R. Laraya	Member
Executive Committee	Tirso G. Santillan, Jr.	Member
Audit Committee	Jose Ben R. Laraya	Chairman
Audit Committee	Editha I. Alcantara	Member
Audit Committee	Tirso G. Santillan, Jr.	Member
Audit Committee	Jacinto C. Gavino, Jr.	Member
Audit Committee	Ramon T. Diokno	Member
Compensation Committee	Tomas I. Alcantara	Chairman
Compensation Committee	Honorio A. Poblador III	Member
Compensation Committee	Jose Ben R. Laraya	Member
Compensation Committee	Tirso G. Santillan, Jr.	Member
Nomination Committee	Tomas I. Alcantara	Chairman
Nomination Committee	Jose Ben R. Laraya	Member
Nomination Committee	Sylvia M. Duque	Member
Nomination Committee	Carlos G. Dominguez	Member

List of other material resolutions, transactions and corporate actions approved by the Board of Directors

The Board appointed Mr. Esperidion D. Develos, Jr. as Chief Audit Executive reporting directly to the Audit Committee. The Board also designated Mr. Luis R. Ymson, Jr. and Atty. Angel M. Esguerra,III as the Company's Corporate Information Officers/Compliance Officers with respect to disclosure requirements of the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC).

Other Relevant Information

Please see attached disclosure letter.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 22, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Gentlemen:

This is to advise that the following matters were taken up and approved at the annual stockholders' meeting and the organizational meeting of Alsons Consolidated Resources, Inc. held separately today, May 22, 2015 at the New World Makati Hotel, Esperanza Street corner Makati Avenue, Makati City, Metro Manila, Philippines:

A. Annual Stockholders' Meeting

1. Approval of the Minutes of the Annual Meeting of Stockholders' held on May 23, 2014.
2. Approval of the Annual Report of Management and Audited Financial Statements for the year 2014
3. Ratification of Acts and Resolutions of the Board, its Committees and Management for the year 2014.
4. Re-appointment of Sycip, Gorres, Velayo & Co. as External Auditor for year 2015;
5. Election of the following stockholders as Directors of the Company for the year 2015-2016;
   1. Tomas I. Alcantara
   2. Edicha I. Alcantara
   3. Alejandro I. Alcantara
   4. Carlos G. Dominguez
   5. Honorio A. Poblador III
   6. Tirso G. Santillan, Jr.
   7. Ramon T. Diokno
   8. Conrado C. Alcantara
   9. Jose Ben R. Laraya (Independent Director)
   10. Thomas G. Aquino (Independent Director)
   11. Jacinto C. Gavino, Jr. (Independent Director)

B. Organizational Meeting

1. Election of the following as Officers of the Company for 2015-2016:

Chairman and President	-	**Tomas I. Alcantara**
Exec. Vice President	-	**Tirso G. Santillan,Jr.**
Treasurer	-	**Editha I. Alcantara**
Chief Financial Officer	-	**Luis R. Ymson, Jr.**
Corporate Secretary	-	**Roberto V. San Jose**
Assistant Corp. Secretary	-	**Angel M. Esguerra, III**

2. Appointment of the following as members of the board committees:

Executive Committee:
Tomas I. Alcantara - Chairman
Editha I. Alcantara
Thomas G. Aquino
Jose Ben R. Laraya
Tirso G. Santillan, Jr.

Compensation Committee:
Tomas I. Alcantara - Chairman
Honorio A. Poblador III
Jose Ben R. Laraya
Tirso G. Santillan, Jr.

Nomination Committee:
Tomas I. Alcantara - Chairman
Jose Ben R. Laraya
Carlos G. Dominguez
Sylvia M. Duque – HR Manager

Audit Committee:
Jose Ben R. Laraya - Chairman
Editha I. Alcantara
Tirso G. Santillan, Jr.
Jacinto C. Gavino, Jr.
Ramon T. Diokno

The Board appointed Mr. Esperidion D. Develos, Jr. as Chief Audit Executive reporting directly to the Audit Committee.

The Board also designated Mr. Angel M. Esguerra, III and the undersigned as the Company's Corporate Information Officers/Compliance Officers with respect to disclosure requirements of the Philippine Stock Exchange and Securities Exchange Commission.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer

SEC
C02850-2015 MAY 2 6 2015

Ex-Date : Jun 02, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 22, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES,INC
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City,
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3060
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock PhP1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    declaration of cash dividend

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 8-4 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 5 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CASH DIVIDEND DECLARATION

Background/Description of the Disclosure

Please be advised that at the special meeting of the Board of Directors of Alsons Consolidated Resources, Inc. held 22 May 2015, the Board approved the declaration of a cash dividend in the amount of P0.01 per share or a total of P62,915,000.00 in favor of the common stockholders of record as of 05 June 2015 and payable on 16 June 2015 and also approved the amount of P0.0008 per share or a total of P4,400,000.00 in favor of the preferred stockholders of records of 5 June 2015 and payable on 16 June 2015, out of the unrestricted retained earnings of the Corporation as of 31 December 2014.

Type of Securities

(●) Common
( ) Preferred
( ) Others

Cash Dividend

Date of Approval by Board of Directors	May 22, 2015
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	REGULAR
Amount of Cash Dividend Per Share	PHP0.01
Record Date	Jun 5, 2015
Payment Date	Jun 16, 2015

Source of Dividend Payment

FROM THE UNRESTRICTED RETAINED EARNINGS OF THE CORPORATION AS OF 31 DEC 2014

Other Relevant Information

THIS REPORT IS BEING AMENDED TO INCLUDE THE BOARD APPROVAL OF THE DECLARATION OF CASH DIVIDEND IN FAVOR OF THE PREFERRED STOCKHOLDERS. PLEASE SEE ATTACHED AMENDED DISCLOSURE LETTER.

Filed on behalf by:	
Name	Jose Saldivar, Jr.
Designation	Finance Manager

SEC
I C T
MAY 25 2015
C02843-2015 BY
I

Ex-Date : Jun 02, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 22, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 DON CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK - PhP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    Property Dividend Declaration

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-3 - Declaration of Property Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PROPERTY DIVIDEND

Background/Description of the Disclosure

DECLARATION OF 100% WHOLLY-OWNED SUBSIDIARY ACR MINING CORPORATION (ACRMC) AS PROPERTY DIVIDEND

Type of Securities

- (•) Common
- ( ) Preferred
- ( ) Others

Property Dividend

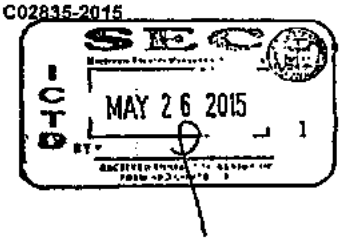
Date of Approval by Board of Directors	Mar 27, 2015
Date of Approval by Stockholders	May 22, 2015
Date of Approval by Securities and Exchange Commission, if applicable	TBA
Other Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Relevant Regulatory Agency, if applicable	TBA
Property to be Distributed	ALL COMMON SHARES OF ACR MINING CORPORATION (ACRMC)
Entitlement Ratio	1 ACRMC SHARES FOR EVERY 200 ACR SHARES HELD
Record Date (to be determined after necessary approvals)	Jun 5, 2015
Payment Date (to be determined after necessary approvals)	TBA

Other Relevant Information

THIS REPORT IS BEING AMENDED TO CORRECT THE PAYMENT DATE OF THE PROPERTY DIVIDEND. THE PAYMENT DATE WILL BE WITHIN THIRTY (30) DAYS AFTER THE CORRESPONDING CERTIFICATE AUTHORIZING REGISTRATION (CAR) FROM THE BUREAU OF INTERNAL REVENUE (BIR) IS OBTAINED. PLEASE SEE ATTACHED AMENDED DISCLOSURE LETTER.

C02835-2015

Ex-Date : Jun 02, 2015



SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 22, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES,INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 DON CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK- PhP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    Declaration of Cash Dividend

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-1 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
CASH DIVIDEND ACCOMPANYING THE PROPERTY DIVIDEND

Background/Description of the Disclosure
CASH DIVIDEND DECLARATION ACCOMPANYING THE PROPERTY DIVIDEND

Type of Securities

- (●) Common
- ( ) Preferred -
- ( ) Others -

Cash Dividend

Date of Approval by Board of Directors	Mar 27, 2015
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	SPECIAL
Amount of Cash Dividend Per Share	PhP0.0005
Record Date	Jun 5, 2015
Payment Date	TBA

Source of Dividend Payment
Unrestricted Retained Earnings of the Corporation as of 31 December 2014.

Other Relevant Information
THE RECORD DATE AND PAYMENT DATE OF THE SPECIAL CASH DIVIDEND SHALL BE THE SAME AS THAT FOR THE PROPERTY DIVIDEND. THE SPECIAL CASH DIVIDEND SHALL BE APPLIED TO THE PAYMENT OF ANY WITHHOLDING TAXES ON THE PROPERTY AND CASH DIVIDENDS, IF APPLICABLE, OR OTHERWISE PAID TO THE STOCKHOLDERS. PLEASE SEE ATTACHED AMENDED DISCLOSURE LETTER.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tuazo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

22 May 2015

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporate Governance & Finance Dept.
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Re : **Declaration of Cash Dividend & Property Dividend**

Gentlemen:

Please be advised that at the special meeting of the Board of Directors (the "Board) of Alsons Consolidated Resources, Inc. ("ACR") held today, the Board approved the declaration of a cash dividend in the amount of ₱0.01 per share or a total of ₱62,915,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2014, in favor of the common stockholders of record as of 05 June 2015 and payable on 16 June 2015.

The Board also approved the declaration of a cash dividend in the amount of P0.0008 per share or a total of ₱4,400,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2014 in favor of the preferred stockholders of records of 5 June 2015 and payable on 16 June 2015.

Moreover, the Board confirmed that 5 June 2015 be the record date of the property dividend declared on 27 March 2015, but payment date will be within thirty (30) days after the corresponding Certificate Authorizing Registration (CAR) from the Bureau of Internal Revenue (BIR) is obtained.

Please be guided accordingly.

Very truly yours,

Luis R. Yalson, Jr.
Chief Financial Officer
and Compliance Officer

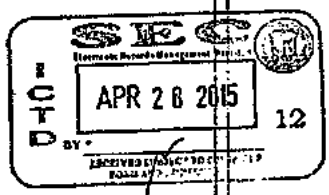
C02119-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Apr 27, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)



7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231
8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Clarification to News Articles

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification to News Articles entitled " Alsons to bid Agus-Pulangi hydro power" posted in the Manila Times (Internet Edition) on April 24, 2015 and the second article entitled "Alsons seeks partners for hydro power" posted in inquirer.net on April 27, 2015.

Source	Manila Times (Internet Edition) and Inquirer.net
Subject of News Report	"Alsons to bid for Agus-Pulangi hydro power" and "Alsons seeks partners for hydro power"
Date of Publication	Apr 27, 2015

Clarification of News Report

PLEASE SEE ATTACHED LETTER REPLY TO PSE.

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

April 27, 2015

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

We reply to the Exchange's letter dated April 27, 2015:

". . . . with regard to the attached news articles entitled:

1. *"Alsons to bid for Agus-Pulangi hydro power"* posted in The Manila Times (Internet Edition) on April 24, 2015. The article reported in part that:

"ALSONS Consolidated Resources Inc. (ACR), the publicly listed company of the Alcantara Group, said it is interested in joining the bidding for the Agus-Pulangi hydropower complex in Mindanao.

Joseph C. Nocos, vice president for power development at ACR, said the Agus and Pulangi hydropower complex is an "interesting prospect" for the company.

Nocos said the acquisition of the hydropower facility would bring a well-balanced generation mix for the company.

. . . .

The Agus power plant complex consists of six cascading power plants snaking from the mouth of Lake Lanao in Marawi City down to the Maria Cristina Falls in Iligan City.

Strategically located along the Agus River, these hydroelectric power plants help fuel the economy of Mindanao by providing a steady supply of cheap and reliable electricity.

Meanwhile, the Pulangi facility is a 255-MW hydroelectric power plant located in Maramag, Bukidnon and has three generating units using the most advanced hydro electric power technology, Napocor said.

. . . ."

We confirm the information written in the above quotations from the said article.

We reply to the Exchange's letter dated April 27, 2015 with respect with the second article entitled:

"2. ***"Alsons seeks partners for hydro power"*** posted in Inquirer.net on April 27, 2015. The article reported in part that:

"MINDANAO-FOCUSED Alsons Consolidated Resources Inc. (ACR) is in talks with Japan's Toyota Tsusho and other potential partners on a $45 million renewable energy (RE) project while it prepares for an upcoming lineup of up to $280 million in RE projects.

ACR is set to undertake the 15- to 16-megawatt (MW) Siguil hydroelectric power project in Maasim River in Sarangani province. It would entail an investment of $40 million to $45 million.

The company is also seeking permits from the Department of Energy (DOE) for a total of 70MW in additional hydropower project. . . . ."

We also confirm the information written in the above quotation in the said article.

Very truly yours,

ANGEL M. ESGUERRA
Alternate Compliance Officer and
Assistant Corporate Secretary

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

April 6, 2015

JANET A. ENCARNACION
Head Disclosure Department
Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Dear Ms. Encarnacion:

In compliance with disclosure requirements of the PSE, we submit the attached ALSONS CONSOLIDATED RESOURCES, INC. Corporate Governance Guidelines for 2014.

Thank you.

Very truly yours,

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Alternate Compliance Officer

THE PHILIPPINE STOCK EXCHANGE, INC.

Corporate Governance Disclosure

of

ALSONS CONSOLIDATED RESOURCES, INC.

(For Fiscal Year 2014)

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: ALSONS CONSOLIDATED RESOURCES, INC. **Date:** 31 December 2014

		COMPLY	EXPLAIN
Guideline No. 1: **DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY**			
1.1	Have a clearly defined vision, mission and core values.	√	
1.2	Have a well developed business strategy.	√	
1.3	Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	√	
1.4	Have its board continually engaged in discussions of strategic business issues.	√	
Guideline No. 2: **ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD**			
2.1.	Have a board composed of directors of proven competence and integrity.	√	
2.2.	Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	√	
2.3	Have at least three (3) of thirty percent (30%) of its directors as independent directors.	√	
2.4	Have in place written manuals, guidelines and issuances that outline procedures and processes.	√	
2.5	Have Audit, Risk, Governance and Nomination & Election Committees of the board.		The Company has four (4) committees, namely: Executive Committee, Audit Committee, Nomination Committee and Compensation Committee. Corporate Governance, Election and Risk matters are handled directly by the Executive Committee and the Board.
2.6	Have its Chairman and CEO positions held separately by individuals who are not related to each other.		The Chairman/President and CEO are the same as per the Company's By-Laws.
2.7	Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	√	
2.8	Have in place a formal board and director development program.	√	
2.9	Have a corporate secretary.	√	

2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	√	
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM			
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	√	
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	√	Reviewed Quarterly
3.3	Institutionalize quality service programs for the internal audit function.	√	
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	√	
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	√	
Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS			
4.1	Have its board oversee the company's risk management function.	√	
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	none	While there is no Formal Risk Management Policy, all Risks were managed by the ExCom and the Board.
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	none	While there are no Enterprise Risk Management activities, all Risks were managed by the ExCom and the Board.
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).	none	Risk Management supervised directly by the CFO & EVP, who take the place of a Risk Management Officer (RMO).
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	√	Company discloses all identifiable risks and available information in considering an investment/divestment proposal and is formalizing process for board.
4.6	Seek external technical support in risk management when such competence is not available internally.	√	

Guideline No. 5: **ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION**			
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	√	
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	√	
5.3	Ensure that the external auditor has adequate quality control procedures.	√	
5.4	Disclose relevant information on the external auditors.	√	
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	√	
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.		While all meetings between the audit committee and the external audit team are attended by members of management, the former can excuse the latter from the meeting at their discretion.
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	√	
5.8	Have a policy of rotating the lead audit partner every five years.	√	
Guideline No. 6: **RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP**			
6.1	Adopt the principle of "one share, one vote."	√	
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	√	
6.3	Have an effective, secure and efficient voting system.	√	
6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	√	
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	√	

6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	√	
6.7	Ensure that all relevant questions during the AGM are answered.	√	
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	√	
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	√	
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	√	
6.11	Have a communications strategy to promote effective communication with shareholders.	√	
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.		The Company's current public ownership is 20% which is compliant with existing PSE requirements.
6.13	Have a transparent dividend policy.	√	
Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME			
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	√	
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	√	
7.3	Disclose its director and executive compensation policy.	√	
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	√	
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the	√	Consolidated FS are submitted within 105 days per SEC rules and interim FS within 45 days for end of reporting period.

	financial year, while interim reports shall be published within 45 days from the end of the reporting period.		
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	√	
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	√	
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	√	
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	√	All matters mentioned are duly reported in the annual report except for the principal risks to minority shareholders associated with the identity of the controlling shareholders.
Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS			
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	√	As individual companies (subsidiaries)
8.2	Have in place a workplace development program.	√	
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.		No ESOP, however there are merit-based incentives and awards given to deserving employees.
8.4	Have in place a community involvement program.	√	
8.5	Have in place an environment-related program.	√	

8.6	Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	√	
Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING			
9.1	Develop and disclose a policy governing the company's transactions with related parties.	√	
9.2	Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	√	
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	√	
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	√	Part of Periodic Report on Operations and Financial Statements provided during Board, ExCom and Audit Com meetings.
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	√	
9.6	Have a clear policy in dealing with material non-public information by company insiders.	√	Complies with PSE & SEC regulations and disclosure requirements.
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	√	
Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT			
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	√	
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	√	

10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	√	
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	√	
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	√	
10.6	Respect intellectual property rights.	√	
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	√	

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this 27 March 2015 in Makati City, Metro Manila.

JOSE BEN R. LARAYA
Independent Director

LUIS R. YMSON, JR.
Chief Financial Officer & Corporate Information Officer

C01687-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Mar 30, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 DON CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK - PhP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    -

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-3 - Declaration of Property Dividends
References: SRC Rule 17 (SEC Form 17-C) and
Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PROPERTY DIVIDEND

Background/Description of the Disclosure

DECLARATION OF 100% WHOLLY-OWNED SUBSIDIARY ACR MINING CORPORATION (ACRMC) AS PROPERTY DIVIDEND AS OF RECORD DATE TO BE ANNOUNCED SOON AFTER THE SEC APPROVES ACRMC'S INCREASE IN AUTHORIZED CAPITAL.

Type of Securities

- (●) Common
- ( ) Preferred
- ( ) Others

Property Dividend

Date of Approval by Board of Directors	Mar 27, 2015
Date of Approval by Stockholders	N/A
Date of Approval by Securities and Exchange Commission, if applicable	TBA
Other Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Relevant Regulatory Agency, if applicable	TBA
Property to be Distributed	ALL COMMON SHARES OF ACR MINING CORPORATION (ACRMC)
Entitlement Ratio	TBA
Record Date (to be determined after necessary approvals)	TBA
Payment Date (to be determined after necessary approvals)	TBA

Other Relevant Information

PROPERTY DIVIDEND IN RELATION TO THE CASH DIVIDEND DECLARED BY ACR.

Filed on behalf by:

C01571-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Mar 30, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES,INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 DON CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK- PhP1 PAR VALUE	6,291,600,000

11. Indicate the item numbers reported herein
    -

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-1 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CASH DIVIDEND

Background/Description of the Disclosure

CASH DIVIDEND DECLARATION EQUIVALENT TO 10% OF THE AMOUNT OF ACR MINING CORPORATION (ACRMC) EQUITY.

Type of Securities

- (●) Common
- ( ) Preferred -
- ( ) Others -

Cash Dividend

Date of Approval by Board of Directors	Mar 27, 2015
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	SPECIAL
Amount of Cash Dividend Per Share	TBA
Record Date	TBA
Payment Date	TBA

Source of Dividend Payment

-

Other Relevant Information

CASH DIVIDEND DECLARATION TO COVER THE APPLICABLE WITHHOLDING TAX OF THE PROPERTY DIVIDEND DECLARED BY ACR.

Filed on behalf by:	
Name	Jose Saldivar, Jr.
Designation	Finance Manager

C01560-2

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Mar 30, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of Issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632)982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK- PHP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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

the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

ALSONS CONSOLIDATED RESOURCES REPORTS 55% INCREASE IN 2014 REVENUES

Background/Description of the Disclosure

ALSONS CONSOLIDATED RESOURCES REPORTS 55% INCREASE IN 2014 REVENUES

Other Relevant Information

PLEASE SEE ATTACHED

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

30 March 2015

The Philippine Stock Exchange, Inc.
Attn.: **Ms. Janet A. Encarnacion**
Head, Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities and Exchange Commission
Attn.: **Director Justina F. Callangan**
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are pleased to inform the Exchange that the Board of Directors of Alsons Consolidated Resources, Inc. approved on Friday, 27 March 2015, the Audited Financial Statements of the Company for the year 2014.

We are also furnishing the Exchange with a copy of the Press Statement entitled: "Alsons Consolidated Resources reports 55% increase in 2014 Revenues".

We trust you will find the foregoing in order.

Very truly yours,

Luis R. Ynson, Jr.
Chief Financial Officer &
Corporate Information Officer

Alsons Consolidated Resources, Inc.
Results of Board od Directors meeting held March 27, 2015

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources

lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources reports 55% increase in 2014 Revenues

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) - the publicly-listed company of the Alcantara Group, reported a 55% increase in revenues to P5.2 Billion in 2014 from P3.3 Billion in 2013. The growth in 2014 revenues came mainly from full-year operation of the 103 Megawatt (MW) Mapalad Power Corporation (MPC) diesel plant in Iligan City. The MPC plant was reacquired and rehabilitated in 2013, commencing commercial operations in September 2013.

Consolidated net income from continuing operations in 2014 was 28% higher at P727 Million from the previous year's P569 Million. But taking into consideration non-recurring income from discontinued operations of P196 Million in 2013, total consolidated net income declined slightly to P727 Million in 2014 from P765 Million in 2013.

ACR's net income attributable to the parent from continuing operations was up 44% at P359 Million from the previous year's P249 Million. But again non-recurring net income attributable to the parent from discontinued operations of P146 Million in 2013, declined slightly from P395 Million in 2013 to P359 Million in 2014. Earnings per share (EPS) also declined by 9% from P0.063 per share in 2013 to P0.057 in 2014.

In that same meeting the ACR board also approved the budgeted figures for the company in 2015 with revenues forecasted to register an increase to P6.1 Billion, coming mainly from the projected start of commercial operations of the first 105 MW of Sarangani Energy Corporation's 210-MW coal-fired power plant in the 4th quarter of 2015. It forecasts a net income attributable to the parent in 2015 of P613 Million or an EPS of P0.098 in that year.

The board also approved the declaration of 100% of wholly-owned subsidiary ACR Mining Corporation (ACRMC) as a property dividend at a record date to be announced soon after the Securities and Exchange Commission approves ACRMC's increase in authorized capital. The increase will accommodate a planned conversion of about P33 Million in the company's debt into equity. A cash dividend equivalent to 10% of the amount of ACRMC equity to be distributed was likewise declared. Finally, the board also approved the setting of the annual stockholder's meeting of the Company to May 22, 2015 to stockholders on record as of April 13, 2015.

Apart from the MPC diesel plant, ACR's currently-operating power generation facilities are: the Southern Philippines Power Corporation's (SPPC) 55 MW plant in Alabel, Sarangani, the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City. All three diesel plants have significantly contributed to alleviating the power shortage in Mindanao.

ACR is developing coal-fired power facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani. The SEC plant is in the advanced stages of construction and will begin commercial operations in the 4th quarter of

advanced stages of construction and will begin commercial operations in the 4th quarter of 2015 with an initial capacity of 105 MW. The SEC plant is expected to be operating at its full 210 MW capacity by 2017. The SRPI power facility in Zamboanga is expected to begin construction in 2016.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

C00868-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Feb 25, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632)982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK- PHP1 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
REPORT ON LOST STOCK CERTIFICATE
Background/Description of the Disclosure
REPORT ON LOST STOCK CERTIFICATE
Other Relevant Information
PLEASE SEE ATTACHED

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

February 24, 2015

PHILIPPINE STOCK EXCHANGE, INC.
2/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention	**Ms. Janet A. Encarnacion** **Head, Disclosure Department**
Subject	**ALSONS CONSOLIDATED RESOURCES, INC.**

Gentlemen:

Please be informed that Prime Stock Transfer Services, Inc., the Transfer Agent of Alsons Consolidated Resources, Inc., has reported that stock certificate #19487, registered under the name of Generoso F. Balmeo containing Six Hundred Thousand (600,000) shares, has been declared lost.

Very truly yours,

ANGEL M. ESGUERRA, III
Corporate Information Officer

C00436-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Jan 30, 2015
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	8,291,500,000

11. Indicate the item numbers reported herein
    9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange.

and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and Sections 7 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

ANNUAL STOCKHOLDERS' MEETING

Background/Description of the Disclosure

THE BOARD OF DIRECTORS OF THE COMPANY FIXED THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING ON MAY 22, 2015 AND THE RECORD DATE ON APRIL 13, 2015

Type of Meeting

- (◉) Annual
- ( ) Special

Date of Approval by Board of Directors	Jan 30, 2015
Date of Stockholders' Meeting	May 22, 2015
Time	TBA
Venue	TBA
Record Date	Apr 13, 2015
Agenda	TBA

Inclusive Dates of Closing of Stock Transfer Books

Start Date	TBA
End Date	TBA

Other Relevant Information

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

January 30, 2015

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

Please be advised that in a board meeting held today, the Board of Directors of the Company fixed the date of the annual stockholders' meeting of the Company on May 22, 2015 and the record date on April 13, 2015.

Please be guided accordingly.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

January 5, 2015

Securities and Exchange Commission
SEC Building, EDSA
Mandaluyong City

Attention: Atty. Justina F. Callangan
Director
Corporate Governance and Finance Department

Re: Attendance of Directors at 2014 Board Meetings

Gentlemen:

In compliance with SEC Memorandum Circular No. 1, series of 2014, we hereby formally advise the Commission of the following:

1 The following table summarizes the attendance of the directors of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2014.

	Name	Date of Election	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman	Tomas I. Alcantara	May 23, 2014	6	6	100%
Board Member	Editha I. Alcantara	May 23, 2014	6	6	100%
Board Member	Alejandro I. Alcantara	May 23, 2014	6	3	50%
Board Member	Tirso G. Santillan, Jr.	May 23, 2014	6	6	100%
Board Member	Ramon T. Diokno	May 23, 2014	6	5	83%
Board Member	Carlos G. Dominguez	May 23, 2014	6	4	66%
Board Member	Honorio A. Poblador III	May 23, 2014	6	4	66%
Board Member	Conrado C. Alcantara	May 23, 2014	6	6	100%
Independent Director	Jose Ben R. Laraya	May 23, 2014	6	6	100%
Independent Director	Jacinto C. Gavino, Jr.	May 23, 2014	6	5	83%
Independent Director	Thomas G. Aquino	May 23, 2014	6	6	100%

2 The Board of Directors of the Company held its meetings in the year 2014, specifically on the following dates:

Date of Meeting	Nature of Meetings
February 7, 2014	Regular
March 28, 2014	Regular
May 23, 2014	Special
May 23, 2014	Organizational
August 8, 2014	Regular
November 7, 2014	Regular

3 Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as **Annex "A"** hereof is a summary of the attendance of the directors.

4 The Corporation held its annual stockholders' meeting on May 23, 2014.The Chairman of the Board, President and the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on May 23, 2014.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,

Angel M. Esguerra, III
Asst. Corp. Secretary

Annex "A"
Meetings of the Board of Directors for the Year 2014

Name of Directors	RM Feb. 7	RM Mar. 28	SM May 23	OM May 23	RM Aug. 8	RM Nov. 7
Tomas I. Alcantara	√	√	√	√	√	√
Editha I. Alcantara	√	√	√	√	√	√
Alejandro I. Alcantara	√	X	X	X	√	√
Tirso G. Santillan, Jr.	√	√	√	√	√	√
Ramon T. Diokno	X	√	√	√	√	√
Carlos G. Dominguez	X	√	√	√	X	√
Honorio A. Poblador III	√	√	X	X	√	√
Conrado C. Alcantara	√	√	√	√	√	√
Jose Ben R. Laraya	√	√	√	√	√	√
Jacinto C. Gavino, Jr.	√	√	√	√	√	X
Thomas G. Aquino	√	√	√	√	√	√

Legend:

√	-	Present
X	-	Absent
RM	-	Regular Board Meeting
SM	-	Special Board Meeting
OM	-	Organizational Board Meeting

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
DEC 14 2016
MARKET REGULATION DEPT.

Alsons Consolidated Resources, Inc.

REGISTRATION STATEMENT

VOLUME 2

DECEMBER 14, 2016

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	9	3	6	6

Company Name

ALSONS CONSOLIDATED RESOURCES, INC.

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

Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
legal@alcantaragroup.com	982 - 3000	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
470	Any day of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982-3000	

Contact Person's Address

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
DEC 14 2016
MARKET REGULATION DEPT.

1. For the fiscal year ended **31 December 2014**

2. SEC Identification Number **59366** 3. BIR Tax Identification No. **001-748-412**

4. **ALSONS CONSOLIDATED RESOURCES, INC.**
Exact name of registrant as specified in its charter

5. **Philippines** 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation — Industry Classification Code:

7. **Alsons Building., 2286 Don Chino Roces Avenue, Makati City, Philippines** **1231**
Address of principal office — Postal Code

8. **(632) 982-3000**
Registrant's telephone number, including area code

9. **(Not applicable)**
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Are any or all of these securities listed on the Philippine Stock Exchange ?
Yes [X] No [ ]

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 there under or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

₱ 2,557,499,348.92
Assumption: Based on Closing Price of ₱ 2.03 as of 29 December 2014 and on 1,259,851,896 shares.

TABLE OF CONTENTS

		Page No.
PART I - BUSINESS AND GENERAL INFORMATION		
Item 1	Business	1
Item 2	Properties	7
Item 3	Risks	8
Item 4	Legal Proceedings	9
Item 5	Submission of Matters to a Vote of Security Holders	9
PART II - OPERATIONAL AND FINANCIAL INFORMATION		
Item 6	Market for Registrant's Common Equity and Related Stockholder Matters	9
Item 7	Management's Discussion and Analysis or Plan of Operation	11
Item 8	Financial Statements	23
Item 9	Changes in and Disagreements With Accountants and Financial Disclosure	23
PART III - CONTROL AND COMPENSATION INFORMATION		
Item 10	Directors and Executive Officers of the Registrant	25
Item 11	Executive Compensation	30
Item 12	Securities Ownership of Certain Beneficial Owners and Management	32
Item 13	Certain Relationship and Related Transactions	33
PART IV – CORPORATE GOVERNANCE		
Item 14	Corporate Governance	35
PART V – EXHIBITS AND SCHEDULES		
Item 15	a. Exhibits	35
	b. Reports on SEC Form 11-C (Current Report)	36
SIGNATURES		37
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES		38
INDEX TO EXHIBITS		38

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Alsons Consolidated Resources, Inc. ("ACR" or the "Company") was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. (Tegre) in March 1995.

In 1994, the Alcantara Group, through Alsons Power Holdings Corporation (APHC), acquired a 55.80% interest in Tegre through a swap of APHC's 50.78% stake in Northern Mindanao Power Corporation (NMPC). The Securities and Exchange Commission (SEC) formally approved the stock swap on March 4, 1995 together with the increase in the Company's authorized capital stock from ₱1 billion to ₱3 billion.

The corporate name was changed to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. The Company's primary purpose was subsequently changed to that of an investment holding company, and oil exploration was relegated to a secondary purpose.

On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result of this reorganization, some of the Alcantara Group's established businesses became majority or minority owned subsidiaries of ACR and the Company's authorized capital was further increased from ₱3 billion to ₱12 billion.

ACR's core businesses, conducted through its various subsidiaries and associates, can be grouped into the following main categories: a) Energy and Power, b) Property Development, and c) Other Investments. A description of the general nature and scope of these businesses is presented below:

Energy And Power

ACR's investment in the Energy and Power business is through two holding firms namely, Conal Holdings Corporation (Conal or CHC) and Alsing Power Holdings, Inc. (Alsing). On August 1, 2013, ACR re-acquired the 40% ownership by Electricity Generating Public Co. Ltd. (EGCO) of Thailand in Conal. With this acquisition, Conal became a wholly owned subsidiary of ACR. Conal owns all of ACR's operating Philippine power generation businesses, namely: (1) Alsing Power Holdings, Inc. at 80%, (2) Alto Power Management Corporation at 60% and (3) Mapalad Power Corporation 100%. Alsing, in turn, owns 55% of: (a) Western Mindanao Power Corporation; and, (b) Southern Philippines Power Corporation. Further, ACR directly owns 20% of Alsing.

ACR also has a wholly owned subsidiary, Alsons Power International Limited (APIL), which handles the development of the power plant projects of ACR outside the country.

The three (3) operating power generation subsidiaries, Western Mindanao Power Corporation (WMPC) and Southern Philippines Power Corporation (SPPC) and Mapalad Power Corporation (MPC) are all located in Mindanao.

WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City under an 18-year "Build-Operate-Own (BOO)" arrangement with National Power Corporation (NPC) until December 2015. SPPC, on the other hand, operates a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 15 kilometers east of the city proper of General Santos, also under a BOO arrangement with NPC for 18 years until May 2016.

MPC rehabilitated and started operating 98 MW of the 103MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government on February 27, 2013. The Company entered into Power Sales Agreement (PSA) with various distribution utilities and electric cooperatives, namely Holcim Philippines, Inc. (10MW); Iligan Light and Power, Inc. (10MW); South Cotabato II Electric Cooperative, Inc. (30 MW); Zamboanga City Electric Cooperative, Inc. (18 MW); Agusan del Norte Electric Cooperative (15 MW); Agusan del Sur Electric Cooperative (10MW); Zamboanga del Sur I Electric Cooperative, Inc. (5MW) and Zamboanga del Norte Electric Cooperative (5MW).

The Mindanao Grid, where the three power plants of ACR's Energy and Power business operate, is dominated by power generated by the Agus Hydroelectric System. However, when the water of Lake Lanao is at a critical level, the Agus System cannot service the full demand of the Mindanao Grid. The SPPC and WMPC plants are therefore called for dispatch to supply this deficit. As the demand for power in Mindanao is expected to grow rapidly over the next few years, these power plants will play an important role in providing adequate and stable power for Mindanao.

Expected to play a prominent role in assuring adequate and economic power supply to the Mindanao Grid is the 210MW Coal-Fired Power Station Project (SM200) in Maasim, Sarangani, which ACR is presently constructing the first 105MW through its subsidiary, Sarangani Energy Corporation (SEC). On December 10, 2012, ACR entered into a Shareholders Agreement with Toyota Tsusho Corporation (TTC) of Japan, wherein TTC agreed to subscribe 25% of the total equity of SEC. The construction is currently undertaken by Daelim Industrial Co., Ltd. of Korea and Daelim Phils., Inc. Commercial operations are expected to commence in 2015. The SM200-Phase 2 will follow a year later. In addition, ACR is also developing through a subsidiary, San Ramon Power Corporation (SRPI), a 105MW Coal-Fired Power Station Project (ZAM100) in Zamboanga City. ZAM100 will supply power to Zamboanga City and other parts of the Zamboanga Peninsula. SRPI obtained its Environmental Compliance Certificate (ECC) on March 20, 2012.

ACR, through subsidiaries, is likewise conducting feasibility studies on renewable energy projects. Currently under development are the Siguil 17MW Hydro Power Project in Maasim Sarangani and the Bago 40MW in Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed.

Property Development

ACR is also engaged in the Property Development business through its subsidiary, Alsons Land Corporation or ALC. Established on November 25, 1994, ALC was primarily involved in two major enterprises, a 72-hole golf course development with a residential component called the "Eagle Ridge Golf & Residential Estate" in General Trias, Cavite and is a 440-hectare industrial estate owned by LLL, otherwise known as the "LIMA Technology Center" in Malvar and Lipa City, Batangas. In October 2013, ACR through ALC disposed its 60% share in Lima Land Inc.

The Eagle Ridge Golf & Residential Estate (Eagle Ridge) is a joint venture between ALC and Sta. Lucia Realty Development, Inc. The Fil-Estate Group of Companies primarily handles the sale of its golf shares and residential lots. Eagle Ridge is a 700-hectare project located in Gen. Trias, Cavite. The only Golf Club in the Philippines with four completed signature golf courses and three fully operational clubhouses, Eagle Ridge has superior facilities that cater not only to golfers but also to their families and guests.

To maximize the use of its remaining land holdings, ALC is also engaged in the development of other types of housing products. Re-packaging its properties to better suit emerging market niches in the

property sector, ALC launched "Campo Verde", a joint venture project with Sunfields Realty Development, Inc. The 11-hectare property is located inside LTC and an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish themed homes that are ideal for young to growing families. The model house choices range from: Condesa with a lot area of 90 square meters and floor area of 36 square meters; Duquesa with a lot size of 100 square meters and a floor area of 50 square meters; and, Reina with 120 square meter-lot and a floor area of 80 square meters.

Through subsidiary Kamanga Agro-Industrial Economic Development Corporation, ACR is also developing the Kamanga Agro-Industrial Economic Zone, which will host SM200 in the Municipality of Maasim, Province of Sarangani, and be accredited with the PEZA as an agricultural and light-industry zone. Enterprises will be encouraged to set up their businesses in, or relocate to, this "Ecozone" to enjoy incentives prescribed by law through the PEZA.

Other Investments

To pursue projects in the mining sector, ACR organized ACR Mining Corporation (ACRMC), formerly known as ACR Management Corporation. Its initial activity involved the acquisition of Alsons Development & Investment Corporation's interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial No. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipality of Nabunturan, Province of Compostela Valley and in the Municipality of Maco, Province of Davao del Norte. Previous exploration work at the project area identified three sub-parallel NW trending mineralized structures: Pagtulian, Katungbuan/Taglayag, and Magas. Detailed work on the Magas Vein Zone (MVZ) so far revealed an estimated inferred resource of 2.7 million tons containing: 2.8 g/t gold, 26 g/t silver, 0.09% copper, 0.85% lead, and 1.58% zinc.

ACR also has investments in RCP Holdings, Inc. and in Market Developers, Inc. (MADE), which handles the Company's Product Distribution business. RCP Holdings, Inc. owns 31.24% of Refractories Corporation of the Philippines (RCP), a company engaged in the manufacture of refractories and monolithic. RCP is under rehabilitation, and the Company's product distribution activities had been substantially scaled down until better opportunities can justify resumption of its trading operations.

To further expand its interest in the energy sector, the Company is presently considering several investment opportunities also in Mindanao.

Status of publicly-announced new projects

1. In March 2013, the Alcantara Group (AG) entered into a joint venture agreement with Ayala Land, Inc. (ALI) where ALI shall own 60% and AG 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana Development Corporation (ADC) to undertake the development of the Lanang property in Davao of ACR. On September 17, 2013, ADC was incorporated as JVC and ACR subscribed 34% ownership in ADC. As of December 31, 2014, ADC is not yet in operations.

2. The construction of the first 105MW phase 1 of the 210 MW Sarangani Energy Corporation is already 90% complete as of end 2014 and is expected to commence commercial operations in October 2015. SEC plant is expected to reach its full 210 MW capacity within the fourth quarter of 2016. SEC's 210MW plant is one of the first new baseload power plants that will

be operating in 2015 to help provide a sustainable and lasting solution to the power shortage in Minadanao.

The total project cost is ₱13.5 billion of which ₱4.2 billion is in the form of equity and ₱9.3 billion through a syndicated term loan from local banks.

3. The 105MW San Ramon Power Inc. (SRPI) plant in Zamboanga City has received its environmental compliance certificate from the Department of Environment and Natural Resources in March 2012. Daelim Industrial Co., Ltd. of South Korea is also its EPC contractor. The SRPI expected construction of the plant that was previously forecasted to commence in the later part of 2013 has been deferred at later time. The total project cost is estimated at ₱13.5 billion. The Company is still in the process of negotiation with various banks to finance the project. SRPI coal plant will service Zamboanga City and other nearby areas is scheduled to begin operating before the end of 2018.

The Company has no existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.

(i) Business segments contribution to revenues

Table I - The contribution of each segment of the business to the consolidated revenues of the Company are as follows:

	(Amounts in Thousand PhP)			% to Total		
	2014	2013*	2012	2014	2013	2012
Energy and Power	₱5,159,454	₱3,316,193	₱2,100,706	100%	99%	98%
Property Development	20,617	27,343	41,750	0%	1%	2%
	₱5,180,071	₱3,343,536	₱2,142,456	100%	100%	100%

**Figures have been restated to reflect the overstatement of fees charges to customers.*

Income from foreign sources amounting to ₱25 million in 2014, ₱27 million in 2013 and ₱32 million in 2012 represents fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia.

(ii) Competition

Aside from the numerous housing developments competing in Batangas, Cavite and Laguna areas, a shift in the market forces has prompted a slowdown in sales for the Eagle Ridge Golf and Residential Estates. Economic and affordable housing developments of Filinvest, Camella Homes, and Amaia have gained a foothold in the region.

While several generation companies have either commenced construction of coal-fired power stations or announced plans to build them, Sarangani Energy Corporation (SEC) has secured its position in the market by entering into Power Sales Agreements (PSAs) with various distribution utilities. Having secured the approval of the Energy Regulatory Commission of these PSAs, SEC is assured of the market for its capacity.

The diesel power stations of WMPC, SPPC, and MPC are presently fully contracted. Smaller embedded power stations have started operation in the franchise areas of some electric cooperatives but because the output of WMPC, SPPC, and MPC are competitively priced and their performance proven over years of reliable operation, these power companies continue to be the preferred supplier of most distribution utilities.

(iii) Sources and Availability of Raw Materials and Supplies

Materials and supplies used by SPPC and WMPC for power generation include fuel and lubricating oils. The National Power Corporation (NPC) provides the fuel oil while Pilipinas Shell Petroleum Corporation directly supplies the lubricating oil requirements of the plants. Wartsila Corporation of Finland supplies the engine parts and major maintenance services needed by the plants.

Meanwhile, MPC signed a Fuel Supply Agreement with Petron Corporation for the supply of approximately 6 million liters of fuel. The agreement is valid until December 31, 2015. Similar to WMPC and SPPC, MPC has also agreements with Pilipinas Shell Petroleum Corporation for the supply of its lubricating oils and with Wartsila Corporation for the supply of its engines.

(iv) Dependence on a Single or a Few Customers

The SPPC and WMPC companies' sole customer is NPC through BOO arrangements. Alto Power Management Corp. (APMC), a subsidiary of ACR, provides the plant and operation management services to SPPC, WMPC and MPC. Also, APMC International Ltd., a wholly owned subsidiary of APMC, provides Operations and Maintenance management services to PT Makassar Power Indonesia.

MPC has fully contracted for 3 years its 103MW capacity to several electric cooperatives in Mindanao and Holcim. MPC increased its operating capacity by 5MW in March 2014 upon the completion of the rehabilitation of the 12th unit. The additional capacity has already been contracted with ZANECO with the same terms as other electric cooperatives.

The Property Development and other businesses of ACR are not dependent on a single or few customers and the loss of one or a few customers will have no material adverse effect on the Company and its subsidiaries.

(v) Effect of Existing or Probable Governmental Regulations on the Business

Republic Act No. 9136, the Electric Power Reform Act (EPIRA), and its Implementing Rules and Regulations (IRR), provide for significant changes in the Power Sector which includes among others:

a. The unbundling of the generation, transmission, distribution and supply of power and other disposal assets, including its contract with IPP and electricity rates;

b. Creation of a Wholesale Electricity Spot Market (WESM) within one year; and,

c. Open and nondiscriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides: (i) cross ownership restrictions between transmission and generation companies and between transmission and distribution companies; and, (ii) a cap of 50% on the demand of a distribution utility sourced from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA; and (iii) specifically relating to generation companies, a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

(vi) Research and Development

ACR and its subsidiaries do not allocate specific amounts or a fixed percentage for research and development. All research, if any, are done by its subsidiaries and affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(vii) Employees

As of December 31, 2014, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 373 employees, broken down as follows: 5 executives, 20 managers, 78 supervisors and 270 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

(viii) Bankruptcy Proceedings

The Company has not contemplated any plan for bankruptcy, receivership or similar proceedings. Neither is there any material reclassification, merger, consolidation nor sale of any significant amount of assets in the ordinary course of business.

(ix) Cost and Effect of Compliance with Environmental Laws

As a holding company, ACR engages only in projects and activities that comply with environmental laws. Its power subsidiaries follow the regulations embodied in the EPIRA. All its plants meet the exhaust emission standards set by DENR. Compliance with existing environmental laws has corresponding costs, which include expenditures for the following: 1) renewal fees for the DENR permit/license to operate; 2) exhaust emission tests and monitoring (costs covered by the environmental guarantee fund), 3) environmental monitoring fund (SPPC ₱500,000 and WMPC ₱ 586,000), and 4) environmental guaranty fund (SPPC ₱500,000 and WMPC ₱598,000). WMPC and SPPC have spent for desulfurization facilities amounting to ₱22,245 and ₱156,274, respectively. The Company meets all governmental, environment, health and safety requirements. The Company's operating units are regularly inspected and have not experienced significant governmental, environment, health or safety problems. For the past three years, the total amounts spent in complying with environmental laws by the subsidiaries are as follows: (1) ₱6,721,230 in 2014; (2) ₱ 3,270,768 in 2013; and, (3) ₱2,021,131 in 2012.

(x) Investment Acquisition

On July 2, 2013, the Company acquired from EGCO International Limited (EGCO) the latter's 40% interest in CHC, valued at US$13 million, increasing the Company's ownership in CHC to 100%.

On February 27, 2013, CHC acquired from the Iligan City Government, the 98 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II valued at ₱387million. MPC rehabilitated the two plants at total cost of ₱800 million, the capacity has now increased to 103MW

On December 23, 2010, ACR purchased 29,140,000 shares of Indophil Resources, NL (Indophil) in the amount of ₱1,316 million. ACR previously accounted its investment in Indophil as available-for-sale financial statements and it recognized an unrealized gain on change in fair value of ₱45 million (net of tax of ₱19 million) recorded under "Other comprehensive income.

Alsons Power Holdings Corporation (APHC), also a company under the Alcantara Group, entered into a placement agreement (the Agreement) with Indophil to purchase the 207,708,334 shares in two (2) tranches. On December 26, 2011, APHC incorporated Alsons Prime Investments Corporation

(APIC) as a wholly owned subsidiary primarily to hold the Indophil investment. The Agreement was concluded on February 6, 2012, with APIC owning 17.26% of Indophil's total outstanding shares.

Subsequently, on September 23, 2014, APIC offered to acquire all of Indophil's issued shares not already owned by APIC under a Scheme of Arrangement. Under the Scheme, APIC offered Indophil shareholders A$0.30 cash for each share that they owned. With the consent of Indophil's shareholders of the Scheme during the December 18, 2014 shareholders' meeting and the final approval by the Australia Supreme Court on January 13, 2015, payment to all shareholders on the share register as at the Record Date of January 20, 2015 except for shares already owned by APIC's affiliates, ACR and Alsons Corporation (AlCorp), was completed on January 28, 2015. As such, APIC's ownership increased from 17.26% to 97.27%.

Meanwhile, APIC, AC and ACR entered into an agreement on January 30, 2011 that defined the basic principles, policies, terms and conditions, which shall govern their conduct and relationship as shareholders of Indophil. With this agreement, the Group's equity share in Indophil was consolidated and initially reached 19.99% of the latter's outstanding shares in 2012 and finally to 100.0% with the completion of the Scheme in January 2015.

Mr. Nicasio I. Alcantara, Chairman of APIC and a Director of AlCorp and Alsons Development & Investment Corporation (parent of APHC), has been Indophil's non-executive Director since December 2011.

Item 2. PROPERTIES

DESCRIPTION OF PROPERTIES

The Company's energy and power operations are located in three different sites. WMPC's own power plant is in a 9-hectare property in Sitio Malasugat, Sangali, Zamboanga City. SPPC's operations are situated in a 16-hectare property located in Alabel, Sarangani Province, and 13 kilometers east of the city proper of General Santos. CHC's Plants 1 and 2 which are operated by MPC, are in an 8-hectare property in the municipality of Lugait, Misamis Oriental and in the City of Iligan. The WMPC and SPPC properties are fully owned by the above-mentioned subsidiaries of ACR. On the other hand, the power plants in Lugait, Misamis Oriental and City of Iligan were acquired by virtue of a Deed of Sale between the City of Iligan and CHC dated February 27, 2013. The lots on which the power plants of CHC are located were acquired by MPC from Alsons Development and Investment Corporation by virtue of the deed of sale dated November 21, 2013. The power plants of WMPC and SPPC were used as collaterals for the loans obtained to finance the construction of the said plants. The power plant of CHC and the lots of MPC were used as collateral for the rehabilitation of the CHC power plants. The Plant of SEC which is currently under construction is located in Maasim Sarangani Province.

ALC, the Company's property development company, used to own a 700-hectare property in General Trias, Cavite. ALC also has properties in Batangas, Cabuyao in Laguna, and along Don Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City. Its Batangas property currently has residential developments.

The Company maintains its corporate headquarters at the Alsons Building, Makati City, which is owned by ALC.

All of these properties are in good condition.

Table II – Property, Plant and Equipment (consolidated)

(Amounts in Thousand Pesos)	December 31, 2014	December 31, 2013
Main Engine of Power Plant Structures and Others	₱7,923,546	₱7,922,079
Land, Buildings and Leasehold Improvements	818,286	503,667
Plant Mechanical, Switchyard and Desulfurization Equipment	4,417,171	4,416,461
Machinery and Other equipment	337,278	313,685
Construction in Progress	10,907,983	3,840,005
Cumulative Translation Adjustments	(2,446,672)	(2,434,438)
Total	21,957,592	14,561,459
Less: Accumulated Depreciation and Amortization	(8,547,049)	(7,887,695)
Net Book Value	₱13,410,543	₱6,673,764

Item 3. RISKS

Through prudent management and cautious investment decisions, ACR constantly strives to minimize risks that can weaken its financial position. However, certain risks are inherent to specific industries and are not within the direct control of the Company.

Some of the risks that the company and its subsidiaries may be exposed to are the following:

(a) Foreign Exchange Rate Fluctuations

The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S. Dollar and other foreign currencies. The loan obligations of its power companies are dominantly denominated in U.S. Dollars and their operating costs include spare parts and insurance, which are likewise denominated in foreign currency. However, the power companies have a natural hedge against foreign exchange fluctuations since their revenues are also denominated in US Dollars. Likewise, the Company keeps a portion of its short-term investments in foreign currency.

(b) Interest Rate Risks

The Company's interest rate risk management policy centers on reducing overall interest expense and on minimizing other costs of borrowing. Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.

ACR and its subsidiaries manage their interest rate risks by leveraging its debt portfolio and by optimizing a mix of fixed and variable interest rates. Other measures, are employed to avert risk include pre-payment of debts and re-financing of loans. Moreover, utilization of existing credit facilities has been kept to a minimum.

d) Liquidity Risks

The Company and its subsidiaries carefully manage their liquidity position to be able to finance their working capital, debt service and capital expenditure requirements. Sufficient levels of cash and short-term money market placements are maintained to meet maturing obligations. Management regularly monitors and forecasts its cash commitments, matches

debt payments with cash generated from the assets being financed, and negotiates with creditors on possible restructuring or re-financing of existing loans to avail of better terms and conditions.

e) **Credit Risks**

ACR and subsidiaries transact only with companies and institutions that are in a sound financial position and have demonstrated good credit standing. The power companies' receivables are largely from the National Power Corporation, and the collection of which has been current and up to-date. On the other hand, receivables of the property companies come from installment sales of industrial/residential lots and housing units. Receivable balances are monitored regularly and allowance provisions are reviewed to ensure limited exposure to bad debts.

Further discussion on the Company's financial risk management objectives and policies is contained in Note 32 of the Consolidated Financial Statements.

Item 4. LEGAL PROCEEDINGS

Some of the subsidiaries or affiliates of the Company are from time to time involved in routine litigation as well as various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of these legal matters, in which its subsidiaries or affiliates are involved, will be material to the Company's financial condition and results of operations. Refer to Note 35 of the Consolidated Notes to Financial Statements attached to this report for detailed description.

Item 5. SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

During the calendar year covered by this report, no business matter was submitted to a vote of security holders through solicitation of proxies or otherwise.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. MARKET FOR REGISTRANT'S COMMON EQUITY and RELATED STOCKHOLDER MATTERS

(1) Market Information

All the common shares of the company are listed in the Philippine Stock Exchange.

The following are the high and low market prices of the Company's shares for the past three years:

Table III – Market Price of ACR Shares

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015	High	₱2.36			
	Low	1.94			
2014	High	1.50	₱2.30	₱2.20	₱2.12
	Low	1.27	1.40	1.90	1.93
2013	High	1.58	1.45	1.51	1.44
	Low	1.22	1.25	1.31	1.25
2012	High	1.58	1.45	1.51	1.44
	Low	1.22	1.25	1.31	1.25

Stock Price as of March 27, 2015 was at ₱2.36 per share.

(2) Stockholders

As of December 31, 2014, ACR has 6,291,500,000 shares outstanding held by 470 stockholders, inclusive of the two (2) accounts under PCD Nominee Corporation. The list of the top twenty stockholders of the Company as recorded by Prime Stock Transfer Services, Inc., the Company's stock transfer agent, are as follows:

Table IV – Top Twenty (20) Stockholders

	Name	No. of Shares Held	% to Total
1.	Alsons Corporation	2,592,524,072	41.21%
2.	Alsons Power Holdings Corp.	1,249,999,600	19.87%
3.	Alsons Development and Investment Corp.	1,188,524,026	18.89%
4.	PCD Nominee Corporation (Filipino)	1,101,506,577	17.81%
5.	PCD Nominee Corporation (Non-Filipino)	113,543,000	1.80%
6.	Rennie C. Tan	7,000,000	0.11%
7.	Felicisimo I. Alcantara	6,027,574	0.09%
8.	SEC Account No. 2 fao: Various Customers of Guoco Securities	2,090,000	0.03%
9.	All Asia Capital Trust & Investment Division A/C 95-001	1,830,000	0.03%
10.	EBC Securities Corporation	1,030,000	0.02%
11.	Felipe A. Cruz, Jr.	1,000,000	0.02%
11.	Nora T. Go	1,000,000	0.02%
12.	First Integrated Capital Securities, Inc. (555300)	900,000	0.01%
13.	First Integrated Capital Securities, Inc. (555200)	795,000	0.01%
14.	Ansaldo, Godinez & Co., Inc.	755,000	0.01%
15.	George Go	750,010	0.01%
16.	AACTC FAO Trinity Investment	680,000	0.01%
17.	Generoso F. Balmeo	600,000	0.01%
17	EstebanYau	600,000	0.01%
18.	S. J. Roxas & Co., Inc.	507,000	0.01%
19.	Antonio Co	500,000	0.01%
19.	Mendoza, Martinez &/or Alberto Mendoza	500,000	0.01%
19.	Quiambao, Antonio S.	500,000	0.01%
19.	Roqueza, Ricardo S.	500,000	0.01%
19.	San Jose, Roberto V.	500,000	0.01%
19.	Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%
20.	Mendoza, Alberto G. &/or Jeanie C. Mendoza	450,000	0.01%
	Total shares of top 20	6,275,611,859	99.75%

(3) Dividends

Declaration of dividends is subject to approval by the Board of Directors. In its Board meeting held on May 23, 2014, the Board approved the payment of cash dividends of ₱0.016 per share on July 24, 2014 to stockholders of record on June 30, 2014.

The historical dividend declarations are follows:

Year	Date of Declaration	Per Share	Amount	Date of Record	Date of Payment
2013	March 21, 2013	P0.016	P100,664,000	May 23, 2013	June 14, 2014
2012	May 4, 2012	0.010	62,915,000	May 18, 2012	June 14, 2012
2011	May 20, 2011	0.011	69,206,500	June 6, 2011	June 13, 2011
2010	March 26, 2010	0.010	62,915,000	April 20, 2010	May 17, 2010
2009	December 18, 2009	0.010	62,915,000	January 11, 2010	January 29, 2010

Management continuously endeavors to increase ACR's share value thru its new projects and project expansion programs while at the same time providing yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's unappropriated retained earnings.

(4) Sales of Unregistered Securities Within the Last Two (2) Years

There are no other securities sold for cash by the Company within the last two (2) years that were not registered under the Securities Regulation Code.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

REVIEW OF CURRENT YEAR 2014 vs. 2013 OPERATIONS

Highlights of the Company's financial performance are as follows:

1. **Revenues and Profitability**

ACR and Subsidiaries posted consolidated revenues of ₱5,180 million in 2014, higher than the ₱3,344 million reported in 2013. The 55% growth was mainly due to the full year commercial operations of MPC in 2014 adding ₱2,958 of revenues. MPC was re-acquired in February 2013 and started commercial operation in September that year.

Cost of services was reported at ₱3,537 million, 79% higher than the ₱1,978 million in 2014. MPC spent ₱2,256 million for its full year fuel requirements in 2014 vis-à-vis the ₱977 million incurred for the four (4) months operations in 2013.

Nonetheless, gross profit improved by 21% in 2014 to ₱1,632 million from ₱1,345 million in 2013 due to higher revenues.

General and administrative expenses was higher in 2014 at ₱467 million from ₱363 million in 2013 due mainly to higher business taxes, a non-controllable item. In spite of this, operating profit still improved by 18% to ₱1,164 million from ₱983 million reported in previous year.

Furthermore, earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, which represented 40% of total revenues reached ₱2,088 million, 27% higher than the ₱1,640 million realized in 2013.

Meanwhile, interest income was 12% lower in 2014 at ₱22 million from ₱25 million in 2013 due mainly to the lower cash placements made during the year. In contrast, interest expense was 73% higher at ₱207 million in 2014 from ₱119 million in 2013, as a result of higher loan availments.

On the other hand, the Company realized other income of ₱109 million in 2014 versus a reported loss of ₱49 million in 2013. Last year's other losses stemmed principally from the ₱101 million equity in net loss of its investment in Indophil as well as foreign exchange losses of ₱47 million resulting from the revaluation of US Dollar-denominated liabilities of the Company.

The net income attributable to the equity holders of the parent was reported at ₱359 million, 9% lower than the ₱395 million income in 2013. As a result, basic earnings of ₱0.057 per share decreased from ₱0.063 per share in 2013.

Without the ₱146 million one-time gain arising from the disposal of Lima Land, Inc. (LLI) in 2013, current year's level was 44% better. Correspondingly, basic earnings from continuing operations of ₱0.057 per share in 2014 was higher than the 2013 level of ₱0.040 per share.

2. Financial Position

As of December 31, 2014, total resources of ACR and Subsidiaries remained robust at ₱ 25,725 million, increasing by 43% versus the ₱17,989 million level reported in 2013.

Current assets grew by 14%, from ₱6,841 million to ₱7,765 million. The increment came largely from the increase in Sarangani Energy Corporation's (SEC's) cash and cash equivalents as well as higher prepaid expenses, mainly value added tax. Similarly, noncurrent assets rose by 61%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities increased by 4% in 2014, from ₱2,367 million to ₱2,462 million, largely on account of higher trades payable. Noncurrent liabilities likewise escalated by 144%, as SEC drew from its project loan to finance its capital expenditures.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.15:1 in 2014 versus the 2.89:1 level in 2013, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 0.73:1 to 1.47:1.

Meanwhile, net cash inflows from operating activities decreased by 5%, from ₱2,090 million in 2013 to ₱1,977 million in 2014, as the 2013 balance included funds realized from discontinued operations. Together with net cash inflows from financing activities amounting to ₱5,693 million, largely from loan availments, available funds totaled ₱7,670 million in 2014. On the other hand, net cash outflows used in investing activities, mainly for the construction of the SEC power plant, amounted to ₱6,552 million. Including the effect of foreign exchange rate changes, ACR's consolidated cash reached ₱2,512 million, significantly higher than the 2013 balance of ₱1,422 million.

3. **Key Performance Indicators (KPI)**

The Company's financial KPI for the year ended December 31, 2014 showed significant improvement compared to 2013 as follows: (Amounts in million pesos, except ratios)

Financial KPI	Definition	Calendar Year	
		2014	2013

Profitability			
Revenues		₱5,180	₱3,344
EBITDA		₱2,088	₱1,640
EBITDA Margin	EBITDA ÷ Net Sales	40%	49%
Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	7%
Net Earnings Attributable To Equity Holders		₱359	₱395
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	40%	37%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	18%	46%
Debt-To-Equity Ratio		1.47:1	0.73:1
Current Ratio	Current Assets ÷ Current Liabilities	3.15:1	2.89:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increase from ₱1,640 million to ₱2,088 million in 2014. EBITA Margin however, decreased from 49% in 2013 to 40% in 2014 due to higher revenues during the year.

Return on equity (ROE) stood at 7% for both years. Net income attributable to the equity holders of the Parent from continuing operations improved to ₱359 million from ₱249 million in 2013 as the Company's core income continue to improve.

Efficiency

The Company's operating expense ratio decreased to 37% in 2014 from 44% in 2013. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant which is a none-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 1.2x. Consequently, net debt coverage decreased to 18% from last year's 46%. Current ratio on the other hand improved to 3.15:1 from last year's 2.89:1.

DESCRIPTION OF KEY PERFORMANCE INDICATORS:

1. REVENUES. Revenue is the amount of money that the company subsidiaries receive arising from their business activities and is presented in the top line of the consolidated statements of income. The present revenue drivers of the Company are i) Energy and power ii) Utilities and iii) Real estate. Revenue growth is one of the most important factors management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making a sound investment decision.

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA). The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts, to finance its capital expenditure and working capital requirements.

3. NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT. Net income attributable to shareholders is one more step down from net income on the consolidated statements of income. The net income of a company is just all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.

4. DEBT-TO-EQUITY RATIO. This measures the company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

5. CURRENT RATIO. Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

Significant Disclosures

Please refer to **Annex D** of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Annex D and the disclosures made by the Company in its Audited Consolidated Financial Statements, it is not aware of the following:

1. Unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence;

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period;

3. Issuance and repurchase of equity securities;

4. Segment revenues and segment results for business segments and geographical segments;

5. Changes in contingent liabilities or contingent assets since the annual balance sheet date;

6. Existence of material contingencies and other transaction events that are material to an understanding of the current period;

7. Known trends, commitments, events and uncertainties that will result in or likely to decrease its liquidity in a material way. ACR does not anticipate having, within the next twelve (12) months, any cash flow or liquidity problem nor does it anticipate any default or breach of any of its existing notes, loans, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, ACR expects to meet all financial loan covenants for the next interim period;

8. Events that will trigger direct or contingent material financial obligations to the Company;

9. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year;

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations;

11. Significant elements of income or loss that did not arise from the Company's continuing operations;

12. Material events subsequent to the end of the reporting period that have not been reflected in the consolidated financial statements;

13. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments and discontinuing operations;

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2014 and 2013 are presented in accordance with Philippine Financial Reporting Standards (PFRS) applied on a consistent basis.

Seasonality Aspects of the Business

The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 77% Increase

The growth in cash and cash equivalents (2014: ₱2,512 million vs. 2013: ₱1,422 million) was principally due to receipt of the loan proceeds by Sarangani Energy Corp. that remain unused as of the end of 2014. Cash generated from operations during the year was ₱1,977 million, 5% lower than previous year's ₱2,090 million. The proceeds of loan presented in the financing activities amounting to ₱9,690 million was used to finance the on-going construction of the first phase of SEC's power plant. .

2. Short-term cash investments, 291% Increase

Short-term cash investments increased (2014: ₱34 million vs. 2013: ₱9 million) due to funds from operating activities

3. Trade and other receivables, 7% Decrease

With the full 2014 commercial operations of MPC, trade receivables increase (2014: 762 million vs. 2013: 610 million) generated during the year. Meanwhile, due from related parties the advances to its major shareholders decrease (2014: 2,945 million vs. 2013: 3,208 million), resulting from settlements during the year. The advances were subject to certain provisions, including interest and terms of repayment.

4. Spare parts and supplies, 18% Increase

The build-up consisted mainly of the purchase of spare parts for MPC during the year which is reserve for contingency purposes.

5. Noncurrent portion of installments receivables, 20% Decrease

The decrement is due to collection of maturing accounts during the year.

6. Property, plant and equipment, 101% Increase

The growth is due mainly to expenditures incurred for the construction of the first phase of Sarangani Energy's power plant.

7. AFS financial assets, 110%, Increase

The improve market values of these AFS financial assets caused the increase in values of these assets.

8. Retirement plan assets, 10% Decrease

The decrease was mainly due to retirement expense incurred during the year.

9. Accounts payable and other current liabilities, 49% Increase

The increase in payable to customers representing amount of overbilled fees collected in 2013 and 2014 by MPC, caused the increase in accounts payable and accrued expenses.

10. Loans payable, 67% Decrease

The reclassification into long-term debt of the amount availed to finance the construction of Sarangani Energy Power Plant.

11. Income tax payable, 19% Increase

The higher taxable income caused the increase in income tax payable in 2014.

12. Derivative liability, 27% Decrease

The embedded derivatives arising from the exchange option of APHC-ACR Loan Facility Agreement which was assigned to its Lender Bank in accordance with the Omnibus Loan and Security Agreement. The decline in derivative liability was the result of partial prepayment of the loan during the year thereby resulting to a mark-to-market gain. The salient features of this loan were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized.

13. Current and Long-term debt, 159% Increase

The increment was due to the drawdown from the project loan facility of SEC during the year as well as the availment of a US$73.5 million loan to partly finance the repayment of an existing loan with APHC. Details of transaction is presented in Note 18 of the Financial Statements.

14. Retirement payable, 21% Decrease

The decrease was due mainly to the re-measurement of retirement benefit obligation as conducted by independent Actuary during the year.

15. Asset retirement obligation, 15% Decrease

The decline was due to the change in estimate resulting from discount rate changes. The assessment was based on best estimate of cash flows acquired to settle the obligation on an annual basis. The change in estimate resulted to a decrease in this account by P19 million.

REVIEW OF CURRENT YEAR 2013 and 2012 OPERATIONS

Highlights of the Company's financial performance are as follows:

a) Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of ₱3,344 million in 2013, higher than the ₱ 2,142 million reported in 2012. The 56% growth was mainly contributed by the Company's Energy and Power businesses, generating energy fees of ₱3,289 million in 2013, 590% up from the ₱2,068 million generated in 2012 due mainly to the start of MPC's commercial operations effective September 2013. MPC was re-acquired in February 2013, with rehabilitation starting in March 2013, and ramp-up operations commencing in May.

Revenues from the Property Development business decreased 36% from ₱42 million to ₱27 million. Revenues from sales of Campo Verde project were higher in 2012 at 29 units to only nine units in 2013 due to lower available inventories.

Cost of services and real estate sold was reported at ₱1,998 million, 1.17x higher than the ₱920 million in 2012 due mainly to the pass-through fuel costs of MPC that began full operations in September 2013.

Consequently, gross profit improved by 10% in 2013 to ₱1,346 million from ₱1,222 million in 2012 due mainly to higher revenues.

General and administrative expenses slightly decreased by 3%, from ₱373 million to ₱363 million due mainly to the absence of a provision for impairment of trade and other receivables. As a result, operating profit improved by 16% to ₱983 million from the ₱849 million reported in previous year. The management fees paid to other associates in 2012 as well as the provision for impairment in trade and other receivables contributed to the higher general administrative expenses in 2013.

Furthermore, earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, which represented 49% of total revenues reached ₱1,640 million, slightly higher than the ₱1,893 million realized in 2012.

Meanwhile, interest income was 46% lower in 2013 at ₱27 million from ₱50 million in 2012 due mainly to the lower placements in 2013. In contrast, interest expense was 426% higher at ₱122 million in 2013 from ₱85 million in 2012, as a result of additional loan availment in 2013.

The Company incurred other losses amounting to ₱49 million in 2013, vis-à-vis the reported ₱ 424 million other income in 2012. The current year's other losses stemmed principally from the ₱ 101 million equity in net loss on its investment in Indophil. In addition the company incurred foreign exchange losses of ₱46 million as a result of the revaluation of its dollar-denominated liabilities. Conversely, the company reported a ₱236 million other income in 2012, which pertained to the compensation of the Parent Company as the sole project proponent for the risk, time and resources in developing Sarangani Energy that was paid by a new partner in the project.

As a result, income before tax of ₱840 million, decreased by 32% from last year's level of ₱1,234 million. Nevertheless, provision for income tax was 12% higher at ₱270 million versus the previous year's ₱241 million, as the drop in income before tax was essentially due to provisions booked to revalue carrying costs of both investments and liabilities.

In the meantime, in line with the corporate decision to focus on power generation in Mindanao and other key areas of the Philippines, the company through its subsidiary, ALC, sold its investment in Lima Land, Inc. in October 2013. Income realized by LLI in 2013, shown as discontinued operations, amounted to ₱196 million, 130% higher than last year's income of ₱87 million.

With the recognition of losses due to peso depreciation, ACR's net income decreased by 29%. As such, the income attributable to equity holders of the Company was likewise lower by 22% at ₱395 million from last year's ₱509 million. Correspondingly, basic earnings of ₱0.063 per share decreased from ₱0.081 per share in 2012.

b) Financial Position

As of December 31, 2013, total resources of ACR and Subsidiaries stood at ₱17,989 million, 28% higher than the ₱14,024 million reported in 2012. Current assets grew by 25%, from ₱5,482 million to ₱6,841 million. The increment came largely from the increase in trade and other receivables, cash and cash equivalents as well as build-up of spare parts and supplies inventory. The expenditures incurred for the on-going construction of the SEC plant, on the other hand, caused the 31% growth in noncurrent assets.

The maturing portion of the loan availed by the Company from its major shareholder and the unpaid trade payables and interest by MPC increased current liabilities by 1.26x, from ₱1,049 million in 2012 to ₱2,367 million in 2013. On other hand, additional drawdowns from the project loan of SEC accounted for the 1.97x rise in the Company's non-current liabilities. Accordingly, ACR's balance sheet remained robust with a current ratio at 2.89:1 in 2013 versus the 5.22:1 level in 2012, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 0.73:1 from 0.25:1.

Meanwhile, net cash inflows from operating activities increased by 19%, from ₱1,740 million in 2012 to ₱2,090 million in 2013. Together with its net cash inflows from financing activities amounting to ₱2,827 million, largely from loan availment, total funds available reached ₱4,917 million. On the other hand, net cash outflows used in investing activities, mainly for the construction of the SEC power plant, amounted to ₱3,790 million. Including the effect of foreign exchange rate changes, ACR's consolidated cash reached ₱1,422 million, significantly higher than the 2012 balance of ₱277 million.

Key Performance Indicators (KPI)

The Company's financial KPI for the year ended December 31, 2013 showed significant improvement compared to 2012 as follows: (Amounts in million pesos, except ratios)

Financial KPI	Definition	Calendar Year	
		2013	2012 (Restated)
Profitability			
Revenues		₱3,444	₱2,142
EBITDA		₱1,640	₱1,893
EBITDA Margin	EBITDA ÷ Net Sales	49%	88%

Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	9%
Net Earnings Attributable To Equity Holders		₱467	₱509
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	37%	44%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	46%	124%
Debt-To-Equity Ratio		0.73:1	0.25:1
Current Ratio	Current Assets ÷ Current Liabilities	2.89:1	5.22:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased from 88% in 2012 to 49% in 2013 due to fuel cost of MPC and spare parts used by WMPC and SPPC in 2013.

With the recognition of losses largely on account of the revaluation of Company's liabilities, mainly as a result of the volatility of the foreign exchange rate, net income was lower in 2013. As such, corresponding return on equity (ROE), stood at 8% vis-à-vis the 2012 level of 9%. Similarly, net income attributable to the equity holders of the Parent reached ₱395 million as compared to the ₱509 million realized in 2012.

Efficiency

The Company's operating expense ratio decreased to 37% in 2013 from 44% in 2012. Operating expenses in 2012 was higher due mainly to the provision of management fees and impairment of trade and other receivables.

Liquidity

As a result of additional project loan drawdowns in 2013, financial debt increased by 2.25x. Consequently, net debt coverage decreased to 46% from last year's 124%. Current ratio also declined to 2.89:1 from last year's 5.22:1.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR for the years ended December 31, 2014 and 2013 are presented in accordance with PFRS applied on a consistent basis.

Seasonality Aspects of the Business

The operations of ACR and its subsidiaries were not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts 5% or More

1. Cash and cash equivalents, 413% Increase

   The growth in cash and cash equivalents (2013: ₱1,422 million vs. 2012: ₱277 million) was principally due to receipt of the proceeds from sale of ALC's investment in LLI. As such, cash generated from operations during the year was ₱2,079 million, 19% higher than previous year's ₱ 1,740 million. Cash from operations was used to acquire additional assets, pay-off dividends and settle maturing debts.

2. Short-term cash investments, 99% Decrease

   Short-term cash investments declined (2013: ₱8 million vs. 2012: ₱1,068 million) as funds were drawn and infused as equity into Sarangani Energy Corporation. Subsequently, SEC used the funds to finance the on-going construction of the SEC power plant during the year.

3. Trade and other receivables, 48% Increase

   With the start of commercial operations of MPC in May 2013, additional trade receivables were generated during the year. Meanwhile, the Company made advances to its major shareholders, resulting in higher level of due from related parties account. The advances were subject to certain provisions, including interest and terms of repayment.

4. Spare parts and supplies, 63% Increase

   The build-up consisted mainly of the purchase of spare parts for MPC, lead-time of which is long.

5. Real estate inventories, 23% Decrease

   The variance is largely due to the disposal of ALC's investment in LLI during the year.

6. Noncurrent portion of installments receivables, 14% Decrease

   The decrement is due to collection of maturing accounts during the year.

7. Property, plant and equipment, 165% Increase

   The growth is due mainly to expenditures incurred for the construction of the Sarangani Power Plant as well as for the acquisition of Iligan Power Plant during the year.

8. Goodwill, 8% Increase

   The increment is due mainly to the foreign currency translation adjustments in 2013. Foreign exchange rate was at US$1:₱43.40 in end-2013 versus US$1: ₱41.05 in 2012.

9. AFS Financial Assets, 13%, Decrease

The decline of the market values of these AFS financial assets caused the drop in values of this account.

10. Retirement Plan Assets, 17% Decrease

The decrease was mainly due to the increase in current service cost and remeasurement of the retirement assets of the power companies during the year.

11. Other noncurrent assets, 47% Decrease

The reduction was due mainly to the reclassification of deferred power project costs to construction-in progress accounts, which is part of property, plant and equipment.

12. Accounts payable and other current liabilities, 113% Increase

The higher trade payable was due to MPC that commenced operations during the year and additional project advances.

13. Loans payable, 100% Increase

Increase due to loan availment to finance additional equity infusion in Sarangani.

14. Income tax payable, 46% Increase

The higher taxable income caused the increase in income tax payable.

15. Derivative liability, 81% Increase

The loan, which was obtained in 2012, included certain options, the salient features of which were discussed in Note 18 of the Notes to Consolidated Financial Statements. The derivative liability was a result of re-measurement of the options, such that a mark-to-market loss and the corresponding liability were recognized.

16. Current and Long-term debt, 2.09x Increase

The increment was due to the drawdown from the project loan facility of SEC during the year as well as the availment of a US$13.0 million loan to finance the purchase by the Company of 40% of the capital stock of CHC from EGCO of Thailand. Details of transaction is presented in Note 18 of the Financial Statements.

17. Deferred Tax Liabilities, 5% Increase

The increase was mainly attributable to the increase in the tax impact arising from equity in undistributed net earnings of a foreign subsidiary and increase in the transaction of nonmonetary assets.

18. Retirement payable, 75% Decrease

The decrease was due mainly to the remeasurement of retirement benefit obligation as conducted by independent Actuary. Due to the disposal of LLI Investment, retirement payable of LLI was derecognized.

19. Customers' deposits, 100% Decrease

Customer's deposits, which are equivalent to the estimated bill for one month of service by LUC customers within the Lima Technology Center and non-interest bearing, are collected to secure payment of monthly bills of electricity consumption. With the sale of LLI, the value is no longer carried in ALC's books.

20. Asset retirement obligation, 13% Increase

The upturn was due to the recalculation of the estimated liability for the dismantlement of the power plant complex.

21. Other noncurrent liabilities, 100% Decrease

This account represents deferred lease income of Lima Land. Due to the disposal of LLI investment during the year, deferred lease income was also derecognized in the financial statements.

Item 8. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

(a) SyCip Gorres Velayo & Co. (SGV) is the Company's external auditors for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.

(b) In compliance with SEC Memorandum Circular No. 8, Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2011.

(c) Fees for the years ended December 31, 2014 and 2013 were ₱811,519.52 and ₱ 432,100.16 respectively. The 2014 include the audits fees for the services done on Lima Land Subsidiaries covering the period ended September 30, 2013 amounting to ₱ 197,022.56 and the Liquidation Report on C. Alcantara and Sons, Inc. for the period ended March 31, 2014 amounting to ₱123,200. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for 2014 and 2013. The fees and services were approved by the Audit Committee in compliance with the Code of Corporate Governance.

The other fees billed by SGV pertained to:

In 2013, SGV was engaged to conduct a tax advisory on the property to be received by way of liquidation of an associate. For this separate engagement, SGV billed the Company ₱302,400 as professional fee, inclusive of any applicable taxes.

d) There have been no disagreements with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

a) Board of Directors and Executive Officers

(1) The Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the directors and officers of the Company and their business experience for the last five years:

Table V- Board of Directors

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President and Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Carlos G. Dominguez	Filipino
Director	Conrado C. Alcantara	Filipino
Independent Director	Jacinto C. Gavino, Jr.	Filipino
Independent Director	Jose Ben R. Laraya	Filipino
Director	Honorio A. Poblador III	Filipino
Independent Director	Thomas G. Aquino	Filipino

Tomas I. Alcantara, 68, Filipino, became the Chairman of the Board of Directors and the President of the Company in August 2001. He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Masters in Business Administration (MBA) from Columbia University, and he attended the Advanced Management Program of the Harvard Business School. He is presently the Chairman of the Board of Directors and President of Alsons Development & Investment Corporation and Sarangani Agricultural Company, Inc., and other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Adtx Information Systems, Inc. (since August 2001). He is a Trustee of the European IT Service Center Foundation (since August 2002) and of the Foundation for Revenue Enhancement (August 2004). He has been a Director of Holcim Philippines, Inc. since July 2003, Philweb Corporation (May 2002) and DBP-Daiwa Capital Markets Phils., Inc. (July 1995).

Mr. Alcantara served as Undersecretary for the Industry & Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation forum in 1996. He was also the Chairman of the Board of Directors and the President

of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and has served as a Director of that company since 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003 to April 2006 and Chairman of the Manila Economic & Cultural Office from March 2001 to August 2010.

Editha I. Alcantara, 66, Filipino, has served as Director of the Company since March 8, 1995. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a Director (since 1980) and the Treasurer (since October 2000) of other companies in the Alcantara Group.

She is also a Director of the Philippine Wood Producers Association (since May 16, 1980), and has served as a Trustee for the Philippine Business for the Environment, Inc. since July 1995 and as a Trustee of Miriam College since December 1998.

Tirso G. Santillan Jr., 71, Filipino, became a Director of the Company in June 11, 1996. He has also been the Executive Vice-President since April 27, 1995. He holds a Bachelor of Arts degree in Engineering and a Masters in Business Management degree from the Ateneo de Manila University.

Presently, he heads the Power Business Unit of the Alcantara Group. He has been the Executive Vice-President of Alto Power Management Corporation since January 1996, Conal Holdings Corporation since June 1997, Southern Philippines Power Corporation and Western Mindanao Power Corporation since March 1996. He is also a Director of Sarangani Agricultural Co., Inc. since May 2002.

Additionally, he has been the Managing Partner of Private Capital of Asia Ltd. since June 1991. Mr. Santillan worked with the First Pacific Group from February 1987 to May 1991.

Alejandro I. Alcantara, 60, Filipino, has served as a Director of the Company since July 2003. He graduated from the Ateneo de Davao with a degree in Economics. Mr. Alcantara has been a Director and the President of Aquasur Resources Corporation since 1993 and has served in the same capacity with Finfish Hatcheries, Inc. since 1995. He has also served as the Executive Vice President & General Manager of Sarangani Agriculture Company, Inc. since 1986 and of Alsons Aquaculture Corporation since 1998. He also became a Director of other companies in the Alcantara Group in 1986. Mr. Alcantara also served as a Director and the Treasurer of the Federation of Cattle Raisers Association of the Philippines from 1997 to December 2009.

Ramon T. Diokno, 67, Filipino, rejoined the Company as a Director in March 18, 2009. Previously, he served the Company as a Director from June 19, 2002 to June 29, 2006 and as its Chief Financial Officer from January 16, 2001 to June 30, 2006. He holds an Economics and Accountancy degree from the De La Salle University and a Masters of Science in Management degree from the Massachusetts Institute of Technology.

Mr. Diokno is also the Chief Financial Officer of Lepanto Consolidated Mining Co and its wholly-owned subsidiaries. He is currently also a Director of Alsons Insurance Brokers Corporation.

Carlos G. Dominguez, 69, Filipino, has served as Director of the Company since March 8, 1995. He holds an Economics degree and an MBA from the Ateneo de Manila University. He also attended the Executive Program at the Stanford University. Currently, he is the President of Retail Specialist, Inc.

(1991), Philippine Tobacco Flue-Curing and Redrying Corporation, Baesa Redevelopment Corporation, Halifax Capital Resources, Inc. (1992), C.G. Dominguez and Associates, Inc., Huntly Corporation (1993) and Linden Suites, Inc. (1997). He is also a Director of RCBC Capital Corporation (1994), the Chairman of Philippine Eagle Foundation (2001) and a member of the Board of Trustees of the Ninoy and Cory Aquino Foundation (1995).

Mr. Dominguez also serves as Director of United Paragon Mining Corporation (since 1993), Transnational Diversified Corporation (1999), Alip River Development and Export Corporation (2000) and Diamond Star Agro Products, Inc. (2007).

He served as the Minister of Natural Resources during the Corazon C. Aquino Administration from 1986 to 1987 and as Secretary of Agriculture from 1987 to 1989. He was Chairman of the Board of Directors of Republic Planters Bank from 1987 to 1992, Chairman of the Board of Directors and the President of Philippine Airlines from 1993 to 1995, Chairman of the Board of Directors of RCBC Capital Corporation from July 1994 to May 2002, Chairman of the Board of Directors and the President of the Philippine Associated Smelting and Refining Corporation from 1999 to 2002, a Director of the Manila Electric Company from 2001 to July 2003, a Director of Roxas Holdings, Inc. from 1997 to May 2009, a Director of iPVG Corporation from October 2004 to June 2008 and President of Lafayette Philippines, Inc. from January 2006 to April 2008.

Conrado C. Alcantara, 42, Filipino, has served as Director of the Company since November 2010. He graduated from the Boston University with a degree in Political Science and attended a Post Baccalaureate Program in Management at Harvard University. He presently serves as a Director and President of Infinicor, Inc. He also became a Director of C. Alcantara & Sons, Inc. in July 2006 and of Alsons Land Corporation in July 2009.

Jacinto C. Gavino, Jr., 65, Filipino, has served as Independent Director of the Company since May 2005. He has been a full-time Faculty of the Asian Institute of Management (AIM) since 1990 and he presently holds the Fr. James F. Donelan, SJ, Professorial Chair in Business Ethics. He is on the core faculty of the Washington SyCip Graduate School of Business (WSGSB). He was also the Associate Dean of the Master in Management Program from 1993 to 1995, and Associate Dean for Research from 1995 to 1999.

He is currently a Director of Productronica Holdings, Inc. (2003), Aurotech Corporation (2000), Green Chemicals Corporation (2006), RNuable Energy Corporation (2011) and Sarangani Agricultural Co., Inc. (2005). He also serves as a Trustee of Fundacion Santiago (2002) and the Center for Family Ministries at the Loyola School of Theology (2006). He also does consultancy work for various businesses and non-profit organizations.

Professor Gavino holds a Bachelor of Science degree in Electrical Engineering from the University of the Philippines (1971), a Master in Business Administration degree from the Ateneo de Manila University (1984), and a Doctorate in Public Administration from the University of the Philippines (1993). He also taught in the Ateneo de Manila University, Maryknoll College, and the University of the Philippines.

Jose Ben R. Laraya, 75, Filipino, has served as Independent Director of the Company since March 1995. He holds a Commerce degree from De La Salle College and an MBA from the University of the Philippines. He also attended the Advanced Management Program at Harvard Business School. Currently, he serves as Chairman of the Board of Directors of Ultrex Management & Investments

Corporation (1992) and Laraya Holdings, Inc. (2007). He also serves as President of Trully Natural Food Corporation (2004), and a Director of La Frutera, Inc. (1997).

Previously, he served as Vice-Chairman of Philcom Corporation from October 1996 to February 1999, President of National Steel Corporation from September 1980 to February 1989, Dole Asia from February 1989 to June 1992, and APC Group, Inc. from September 1995 to February 1999.

Honorio A. Poblador III, 69, Filipino, has served as a Director of the Company since March 8, 1995. He holds a Political Science degree from the Ateneo de Manila University. Currently, he serves as Chairman of the Board of Directors of Asuncion Realty Corporation (since 1995), Chairman of the Board of Directors and President of Asmaco, Inc. and President of Asian Aesthetic Excellence, Inc. and Mayriad Human Resources and Services, Inc.

He is also a Director of Philippine Communications Satellite Corporation, Philippine Overseas Telecommunications Corporation, and Elnor Investment Corp. (since 1983), Philcomsat Holdings Corporation (1998), the Philodrill Corporation (1997), F & C Realty Corporation and POB Corporation (2003).

Dr. Thomas G. Aquino, 66, Filipino, became an Independent Director of the Company in May 20, 2011. He is a Senior Fellow at the Center for Research and Communication of the University of Asia and the Pacific (UA&P). He was formerly the Senior Undersecretary of Philippine Department of Trade and Industry. He supervised the country's foreign trade promotions, trade negotiations under World Trade Organization & the ASEAN Free Trade Agreements as well as bilateral trade talks with the country's major economic trading nations. He served as overall lead negotiator for the country's fist free trade agreement, namely the Philippines-Japan Economic Partnership Agreement and was country representative to the High Level Task Force on ASEAN Economic Integration. For public service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was receipient of the Gawad Mabini Award with the rank of Grand Cross (or Dakilang Kamanong) for distinguished service to the country both at home and abroad by the President of the Republic of the Philippines.

Before entring public service, Dr. Aquino held important roles in the fields of economics and business in the private sector as Vice President for Business Economics and Director of the Strategic Business Economics Program of UA&P. He returned to private practice as strategy consultant to companies and economic policy adviser to government entities. He is the Chairman of NOW Corporation and Independent Director of A Brown Company, both publicly listed at the Philippine Stock Exchange. He obtained his Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

He obtained a Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

a. The Executive Officers

The following Company executive officers do not own more than 2% of ACR:

Table VI – Executive Officers

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Chief Financial Officer	Luis R. Ymson, Jr.	Filipino
Corporate Secretary	Roberto V. San Jose	Filipino
Assistant Corporate Secretary	Angel M. Esguerra III	Filipino

Luis R. Ymson, Jr., 61, Filipino, has been the Chief Financial Officer of the Company since June 30, 2006. He is also Chief Financial Officer of the Alcantara Group since June 5, 2006. He holds a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University, and pursued an MBA degree from the same university.

He has extensive investment banking experience from his previous employment with Allied Banking Corporation and UBP Capital Corporation from 1992 to 1996 and First Metro Investment Corporation and Metropolitan Bank & Trust Co. from 1996 to 2001. He previously served as Chief Finance Officer of The Philippine Daily Inquirer and Director/President of its affiliate, Newspaper Paraphernalia, Inc. until 2004.

Roberto V. San Jose, 73, Filipino, has been the Corporate Secretary of the Company since June 1991. He received his Bachelor of Arts degree from De La Salle University and his law degree from the University of the Philippines. He is a member of the Philippine Bar and a Consultant of the Castillo Laman Tan Pantaleon and San Jose Law Offices. In addition to serving as Corporate Secretary for the Company, he serves as Director, Officer and/or Corporate Secretary of Anglo Philippine Holdings Corp., CP Equities Corporation, Atlas Resources Management Group, MAA Consultants, Inc. and several other companies. He is also the Corporate Secretary of Premiere Horizon Alliance Corporation, Mare Ventures Holdings, Inc., Solid Group Inc., United Paragon Mining Corporation, FMF Development Corporation, Beneficial Life Insurance Co., Inc., The Metropolitan Club, Inc., and other client corporations of the Castillo Laman Tan Pantaleon and San Jose Law Firm.

Angel M. Esguerra III, 53, Filipino, was appointed as the Assistant Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

b) Family Relationship of Directors and Officers

Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara and Ms. Editha I. Alcantara are siblings, while Mr. Conrado C. Alcantara is their nephew.

c) Independent Directors

The following are the Company's independent directors. They are neither officers nor substantial shareholders of ACR:

1. **Jacinto C. Gavino, Jr.**
2. **Jose Ben R. Laraya**
3. **Thomas G. Aquino**

d) Warrants and Options Outstanding

There are no warrants or options granted by the Company to any of its Directors or executive Officers.

e) Pending Legal Proceedings

None of the directors and officers was involved in any bankruptcy proceedings as of March 31, 2015 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

f) Significant employees

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

g) Legal Proceedings where Property is the Subject

There are no material pending legal proceedings to which the Company or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

Item 11. EXECUTIVE COMPENSATION

A director's compensation represents a per diem of ₱30,000 for every Board of Directors' meeting and ₱15,000 for every Executive Committee meeting and Audit Committee meeting.

Sections 9 and 10 of the Amended By-laws which pertain to compensation and other arrangements with the Directors read:

> Section 9. Compensation of Directors. Each director shall receive, for his services as Director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him provided, that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity and receiving such compensation therefore as may be fixed from time to time by the Board of Directors.

Section 10. Profit Sharing. The Board of Directors shall be authorized and empowered to pay or distribute to the members of the Board of Directors and the Executive Committee, and the officers of the Corporation, amounts of up to five percent (5%) of the net income before tax in each year, to be allocated at its discretion. If the income arises from the consolidation, or equity accounting of earnings of subsidiaries or affiliates, the computation of net income subject to profit sharing, shall be based on the cash or property dividends declared and actually received by the Company during the year.

The aggregate amounts paid by the Company to its directors and executive officers as a group were ₱3,145,000, ₱2,460,000 for the years 2014 and 2013, and ₱2,460,000 in 2012, respectively. For 2015, the Company estimates that it will pay an aggregate amount of ₱3,780,000 as compensation to its directors and executive officers.

Table VII - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Tomas I. Alcantara Chairman and President	**2015est** **2014** 2013 2012	₱ - - - 	₱ - - - 	**₱315,000** **310,000** 240,000 195,000
2. Editha I. Alcantara Director & Treasurer	**2015est** **2014** 2013 2012	- - - 	- - - 	**420,000** **345,000** 315,000 300,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	**2015est** **2014** 2013 2012	- - - 	- - - 	**420,000** **405,000** 330,000 270,000
4. Jose Ben R. Laraya Director	**2015est** **2014** 2013 2012	- - - 	- - - 	**420,000** **405,000** 330,000 300,000
5. Ramon T. Diokno Director	**2015est.** **2014** 2013 2012	- - - 	- - - 	**315,000** **270,000** 210,000 245,000
All other Officers and Directors as a group unnamed	**2015est.** **2014** 2013 2012	- - - 	- - - 	**1,890,000** **1,410,000** 1,035,000 1,150,000

Other Annual Compensation received from ACR represents per diems given for every attendance in a Board, an Executive Committee (Excom) meeting or an Audit Committee meeting. The disclosure on the compensation of Key Management Personnel is presented in Note 21 of the audited consolidated financial statements.

The Company and the executive officers are not involved in any of the following transactions:

a. Standard arrangement and any material arrangements;

b. Employment contract (between the registrant and named executive officers);
c. Compensatory plan or arrangement;
d. Outstanding warrants or options;
e. Adjustments or amendments on the stock warrants or options.

The members of the Compensation Committee of the Company are as follows:

1. **Tomas I. Alcantara** - **Chairman**
2. **Honorio A. Poblador III** - **Member**
3. **Jose Ben R. Laraya** - **Member (Independent Director)**
4. **Tirso G. Santillan, Jr.** - **Member**

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The above named executive officers of the company are not employees of ACR and are not covered by any existing employment contracts. They only receive per diem if they attend a Board meeting, an Executive Committee meeting, and/or an Audit Committee meeting.

Warrants and Options Outstanding; Repricing

There are no outstanding warrants or options held by the directors or executive officers of the Company.

Item 12. SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2014, Alsons Consolidated Resources, Inc. knows of no one who beneficially owns in excess of 5% of its common stock except as set forth in Table VIII below:

Table VIII - Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of Shares Held	Percentage
Common	Alsons Corporation[1] (AC) Alsons Bldg., 2286 Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation[2]	Filipino	2,592,524,072	41.21%
Common	Alsons Power Holdings Corp[1]. (APHC) Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	Alsons Power Holdings Corporation[2]	Filipino	1,249,999,600	19.87%
Common	Alsons Development & Investment Corp[1]. (ADIC) 329 Bonifacio St., Davao City	Affiliate	Alsons Development and Investment Corporation[2]	Filipino	1,188,524,026	18.89%
Common	PCD Nominee Corporation[3] (Fil) MSE Bldg., Ayala Ave., Makati City	None	Various[4]	Filipino	1,101,506,577	17.51%

1 The President and CEO of the Corporation, Tomas I. Alcantara, is the Chairman of the Board of Directors of the Company.
2 The respective Boards of Directors of each of AC, APHC and ADIC has power to decide how the shares are to be voted.
3 The PCD Nominee Corporation is not related to the Company.
4 There are no holders of more than 5% of common stock under PCD. The clients of the various PCD participants have the power to decide how the Company's shares are to be voted.

(2) Security Ownership of Management

The table below shows the securities beneficially owned by all directors, nominees and executive officers of ACR as of December 31, 2014:

Table IX - Security Ownership of Management

Directors:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	r	0.00%
Common	Editha I. Alcantara	100,000	Filipino	r	0.00%
Common	Alejandro I. Alcantara	1	Filipino	r	0.00%
Common	Jacinto C. Gavino, Jr.	1	Filipino	r	0.00%
Common	Ramon T. Diokno	1	Filipino	r	0.00%
Common	Carlos G. Dominguez	100	Filipino	r	0.00%
Common	Jose Ben R. Laraya	100	Filipino	r	0.00%
Common	Conrado C. Alcantara	1	Filipino	r	0.00%
Common	Honorio A. Poblador III	100	Filipino	r	0.00%
Common	Thomas G. Aquino	100	Filipino	r	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	r	0.00%
Total		100,406			0.00%

Officers:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	r	0.00%
Common	Editha I. Alcantara	100,000	Filipino	r	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	r	0.00%
Common	Roberto V. San Jose	500,000	Filipino	r	0.00%
Total		600,002			0.00%

(3) Voting Trust Holder of 5% or More

No person holds five percent (5%) or more of the issued and outstanding shares of stock of the Company under voting trust or similar agreement.

(4) Changes in Control

There are no arrangements which may result in a change in control of the registrant.

Item 13. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

During the last three (3) years, the Company was not a party in any transaction in which a Director or Executive Officer of the Company, any nominee for election as a Director, or any security holder owning more than 5% of any class of the Company's issued and outstanding shares and/or his/her immediate family member had a material interest thereon.

In the normal conduct of business, the following are among the other transactions with its affiliates and related parties disclosed in the audited financial statements under Notes 17 (Loans Payable), 18 Long-term Debt) and 21 (Related Party):

- On March 21, 2013, Aldevinco and ACIL (collectively referred to as AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana Development Corporation (ADC) shall undertake the development of the Lanang property in Davao. On September 17, 2013, ADC was incorporated as JVC. ACR has subscribed 296 preferred shares and 32 common shares for 34% ownership in ADC.

- On December 23, 2010, Alsons Corporation, a major shareholder of ACR, transferred its 29,149,000 shares of Indophil Resources NL, an Australian publicly-listed company, valued at ₱1.3 billion (equivalent to AU$1.03 per share), to ACR.

There were no transactions to which the Company was a party during the past two (2) fiscal years where a director, executive officer, nominee for director, or stockholder owning more than 10% of the outstanding shares of the Company had a direct interest.

The Company retains the law firm of Castillo Laman Pantaleon and San Jose Law Offices for legal services, where Atty. Roberto V. San Jose is a Consultant. During the last two fiscal years, ACR paid ₱472,830.40 in 2014 and ₱403,200 in 2013 to the law firm. The Company believes that the legal fees are reasonable for the services rendered.

List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent, if any.

The Company has no parent company holding or controlling more than 50% of its outstanding capital stock. However, the following corporations separately own and control substantial shares in the Company: Alsons Corporation - 41.21%; Alsons Power Holdings Corporation - 19.87%; and Alsons Development & Investment Corporation - 18.89%.

PART IV – CORPORATE GOVERNANCE

Item 14. CORPORATE GOVERNANCE

In compliance with the directive of the Securities and Exchange Commission and in view of the ASEAN Corporate Governance Scorecard Assessment, please refer to the attached ACGR.

PART V - EXHIBITS AND SCHEDULES

Item 15. EXHIBITS AND REPORTS

15.1 Consolidated Financial Statements

The Audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013 are attached as Exhibit 1:

- Management's Responsibility to the Financial Statements
- Independent Auditors' Report
- Consolidated Balance Sheets December 31, 2014 and 2013
- Consolidated Statements of Income for the three years ended December 31, 2014, 2013 and 2012
- Consolidated Statements of Comprehensive Income for the three years ended December 31, 2014, 2013 and 2012
- Consolidated Statements of Cash Flows for the three years ended December 31, 2014, 2013 and 2012.
- Notes to Consolidated Financial Statements

15.2 Supplementary Schedules Exhibit 2

Independent Auditors' Report on Supplementary Schedules
SRC Annex 68-E Schedules

A. Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
D. Intangible Assets - Other Assets
E. Long-term Debt
F. Indebtedness to Related Parties
G. Guarantees of Securities of Other Issuers
H. Capital Stock

Reconciliation of Retained Earnings for Dividend Declaration
Conglomerate Map
Tabular Schedule of All Effective Standards and Interpretations under the PFRS as at Reporting Period

15.3 Reports on SEC Form 17-C

- Report on SEC Form 17-C filed during the year ended December 31, 2014 is attached together with this report and presented in Exhibit 6:

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on APR 13 2015

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the date indicated.

By:

Tomas I. Alcantara Chairman and President	Date: 4/13/15	Editha I. Alcantara Treasurer	Date: 4/13/15
Tirso G. Santillan, Jr. Executive Vice-President	Date: 4/13/15	Roberto V. San Jose Corporate Secretary	Date: 4/13/15
Luis R. Ymson Jr. Chief Financial Officer	Date: 4/13/15		

SUBSCRIBED AND SWORN to before me this APR 13 2015 day of _____ affiants exhibiting to me their Identifications, as follows:

NAMES	IDENTIFICATION NO.	DATE & PLACE OF ISSUE
Tomas I. Alcantara	PP#EB8610644	07-09-13 / DFA Manila
Editha I. Alcantara	PP#EB1982304	02-25-11 / DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	02-12-12 / LTO QC
Luis R. Ymson Jr.	PP#EB1623317	12-29-10 / DFA Manila
Roberto V. San Jose	PP#EB6079962	08-03-12 / DFA Manila

Doc No. 27
Page No. 7
Book No. II
Series of 2015

ANGEL M. ESGUERRA III
Notary Public, Until December 31, 2015
4760120; 01/09/15; Makati City
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
Roll No. 34787; 06/01/87
Alsons Bldg, 2286 Don Chino Roces Avenue, Makati City Philippines

ALSONS CONSOLIDATED RESOURCES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7

	Exhibit No.	
Consolidated Financial Statements	Exhibit 1	
Statement of Management's Responsibility		
Report of Independent Public Accountants		
Consolidated Balance Sheets as of December 31, 2014, 2013 and 2012		
Consolidated Statements of Income for the three years ended December 31, 2014, 2013 and 2012		
Consolidated Statements of Comprehensive Income for the three Years ended December 31, 2014, 2013 and 2012		
Consolidated Statements of Cash Flows for the three years ended December 31, 2014, 2013 and 2012		
Notes to Consolidated Financial Statements		
Supplementary Schedules	Exhibit 2	
Independent Auditors' Report on Supplementary Schedules		
SRC Annex 68-E Schedules		
A. Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)		
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders		
C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements		
D. Intangible Assets - Other Assets		
E. Long-term Debt		
F. Indebtedness to Related Parties		
G. Guarantees of Securities of Other Issuers		*
H. Capital Stock		
Reconciliation of Retained Earnings for Dividend Declaration		
Conglomerate Map		
Tabular Schedule of All Effective Standards and Interpretations under the PFRS as at Reporting Period		

INDEX TO EXHIBITS

Form 17-A

	Page No.
Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
Instruments Defining the Rights of Security Holders, Including Indentures	**
Voting Trust Agreement	*
Material Contracts	**
Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
Letter re: Change in Certifying Accountant	*
Report Furnished to Security Holders	*
Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consent of Experts and Independent Counsel	*
Power of Attorney	*

---

* These Exhibits are either not applicable to the Company or require no answer.
** There were no changes or additions to those already provided in our SEC Form 11-A (1996) and in our succeeding filing on August 22, 1997 (As per Compliance Letter dtd 7/29/97).

Annual Corporate Governance Report for 2014

Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

TO : ALL PUBLICLY-LISTED COMPANIES

SUBJECT : SUBMISSION OF THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR) TOGETHER WITH THE ANNUAL REPORT

SEC ADVISORY

In view of the forthcoming 2014-2015 ASEAN Corporate Governance Scorecard Assessment, all publicly-listed companies (PLCs) are directed to submit their 2014 ACGR together with their 2014 Annual Report (SEC Form 17-A) to the Commission and to the Philippine Stock Exchange (PSE). The ACGR is intended to take the place of the Corporate Governance section of the Annual Report.

The ACGR is to be attached to the Annual Report with the proper reference, i.e., "Please refer to attached ACGR", in Item 13, Part IV - Corporate Governance portion of the Annual Report.

Otherwise, the company's Annual Report (SEC Form 17-A) shall be deemed an incomplete filing.

Mandaluyong City, 12 March 2015.

TERESITA J. HERBOSA
Chairperson

SECURITIES AND EXHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **Consolidated Changes for the Calendar Year 2014**

2. Exact Name of Registrant as Specified in its Charter **ALSONS CONSOLIDATED RESOURCES, INC.**

3. **Alsons Building, 2286 Chino Roces Avenue, Makati City, Philippines** (Address of Principal Office) **1231** (Postal Code)

4. SEC Identification Number **59366** 5. (SEC Use Only) Industry Classification Code

6. BIR Tax Identification Number **001-748-412**

7. **(632) 982-3000**
Issuer's Telephone, Including area code

8. **N/A**
Former name of former address, if changed from the last report

TABLE OF CONTENTS

		Page No.
A.	**BOARD MATTERS**	
1)	BOARD OF DIRECTORS	4
	(a) Composition of the Board	4
	(b) Summary of Corporate Governance Policy	4
	(c) Review of Vision and Mision	5
	(d) Directorship in Other Companies	5
	(e) Shareholding in the Company	7
2)	CHAIRMAN AND CEO	7
3)	CEO SUCCESSION	8
4)	OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS	9
5)	CHANGES IN THE BOARD OF DIRECTORS	9
6)	ORIENTATION AND EDUCATION PROGRAM	11
B.	**CODE OF BUSINESS CONDUCT & ETHICS**	
1)	POLICIES	12
2)	DISSEMINATION OF CODE	14
3)	COMPLIANCE WITH CODE	14
4)	RELATED PARTY TRANSACTIONS	14
	(a) Policies and Procedures	14
	(b) Conflict of Interest	15
5)	FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS	16
6)	ALTERNATIVE DISPUTE RESOLUTION	16
C.	**BOARD MEETINGS & ATTENDANCE**	
1)	SCHEDULE OF MEETINGS	16
2)	DETAILS OF ATTENDANCE OF DIRECTORS	16
3)	SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS	17
4)	ACCESS TO INFORMATION	17
5)	EXTERNAL ADVICE	18
6)	CHANGES IN EXISTING POLICIES	18
D.	**REMUNERATION MATTERS**	
1)	REMUNERATION PROCESS	18
2)	REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS	19
3)	AGGREGATE REMUNERATION	20
4)	STOCK RIGHTS, OPTIONS AND WARRANTS	20
5)	REMUNERATION OF MANAGEMENT	20
E.	**BOARD COMMITTEES**	
1)	NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES	20
2)	COMMITTEE MEMBERS	22
3)	CHANGES IN COMMITTEE MEMBERS	23
4)	WORK DONE AND ISSUES ADDRESSED	23
5)	COMMITTEE PROGRAM	24
F.	**RISK MANAGEMENT SYSTEM**	
1)	STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM	25
2)	RISK POLICY	25
3)	CONTROL SYSTEM	27

TABLE OF CONTENTS

		Page No.
G.	**INTERNAL AUDIT AND CONTROL**	
1)	STATEMENT OF EFFECTIVENESS OF INTERNAL CONTROL SYSTEM	28
2)	INTERNAL AUDIT	
	(a) Role, Scope and Internal Audit Function	28
	(b) Appointment/Removal of Internal Auditor	29
	(c) Reporting Relationship with the Audit Committee	29
	(d) Resignation, Re-assignment and Reasons	29
	(e) Progres against Plans, Issues, Findings and Examination Trends	29
	(f) Audit Control Policies and Procedures	30
	(g) Mechanisms and Safeguards	30
H.	**ROLE OF STAKEHOLDERS**	
1)	POLICIES AND ACTIVITIES	31
2)	CORPORATE RESPONSIBILITY	32
3)	EMPLOYEE PARTICIPATION MECHANISM	32
4)	HANDLING EMPLOYEE COMPLAINTS	32
I.	**DISCLOSURE AND TRANSPARENCY**	
1)	OWNERSHIP STRUCTURE	32
2)	ANNUAL REPORT DISCLOSURE	33
3)	EXTERNAL AUDITORS' FEE	33
4)	MEDIUM OF COMMUNICATION	33
5)	AUDITED FINANCIAL REPORT SUBMISSION	34
6)	COMPANY WEBSITE	34
7)	DISCLOSURE OF RPT	34
J.	**RIGHTS OF STOCKHOLDERS**	
1)	RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS	34
2)	TREATMENT OF MINORITY STOCKHOLDERS	35
K.	**INVESTORS RELATIONS PROGRAM**	41
L.	**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**	42
M.	**BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**	43
N.	**INTERNAL BREACHES AND SANCTIONS**	44
O.	**SIGNATURE PAGE**	45

A. BOARD MATTERS

1. Board of Directors

Number of Directors per Articles of Incorporation	11
Actual number of Directors for the year	11

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as director
1. Tomas I. Alcantara	ED		Nomination Committee	AUG 2001	23 MAY 2014	ASM	13
2. Editha I. Alcantara	ED		Nomination Committee	MAR 1995	23 MAY 2014	ASM	19
3. Tirso G. Santillan, Jr.	ED		Nomination Committee	JUNE 1996	23 MAY 2014	ASM	18
4. Alejandro I. Alcantara	NED		Nomination Committee	JULY 2003	23 MAY 2014	ASM	11
5. Ramon T. Diokno	NED		Nomination Committee	MAR 2009	23 MAY 2014	ASM	5
6. Carlos G. Dominguez	NED		Nomination Committee	MAR 1995	23 MAY 2014	ASM	19
7. Conrado C. Alcantara	NED		Nomination Committee	NOV 2010	23 MAY 2014	ASM	4
8. Honorio A. Poblador III	NED		Nomination Committee	MAR 1995	23 MAY 2014	ASM	19
9. Jose Ben R. Laraya	ID		Nomination Committee	MAR 1995	23 MAY 2014	ASM	19
10. Jacinto C. Gavino, Jr.	ID		Nomination Committee	MAY 2005	23 MAY 2014	ASM	9
11. Thomas G. Aquino	ID		Nomination Committee	MAY 2011	23 MAY 2014	ASM	3

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclose duties, and board responsibilities.

The latest revised Corporate Governance Manual was approved by the Board of Directors last 31 July 2014. The manual was also submitted to the PSE/SEC and posted in the Company's website. The revised Manual incorporates provisions from SEC Memorandum Circular No. 9, Series of 2014 amending SEC's Revised Manual on Corporate Governance to include references to stakeholders.

[1] Reckoned from the election as of the Annual Stockholders' Meeting (ASM) held on 23 May 2014.

The Board of Directors, management, employees and shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors respects the rights of the stockholders, particularly, the right to vote on all matters that require their consent or approval, right to inspect corporate books and records, the right to information, the right to dividends and appraisal right. All stockholders are encouraged to personally attend the meetings. Although all stockholders are treated equally and without discrimination, minority stockholders may request in writing the holding of meetings and the particular items that they want to be taken up in the agenda relating to a legitimate purpose and business of the Company subject to the requirements of the By-Laws.

To ensure a high standard of best practice for the Company, the Board should conduct itself with honesty and integrity in the performance of its duties characterized by transparency, accountability and fairness. Included in its duties and functions are:

1.) *Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for management.*
2.) *Establish and maintain an investor relations program that will keep the shareholders and other stakeholders informed of important developments in the Company.*
3.) *Identify the sectors in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.*
4.) *Adopt a system of check and balance within the board of directors. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times.*

As a commitment to the standards of full Disclosure and Transparency as contained in the Revised Manual of Corporate Governance of the Company, the Board shall therefore commit at all times to full disclose of material information dealings. It shall cause the filing of all required informaton through the appropriate Exchange mechanisms for listed companies and submission to the Commission for the interest of its stockholders and other stakeholders.

(c) How often does the Board review and approve the vision and mission?

The board formulates the Company's vision, mission, strategic objectives, policies and procedures and reviews, updates and approves as changes occur.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[2]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	Southern Philippines Power Corporation	ED-Chairman
	Western Mindanao Power Corporation	ED-Chairman
	Alto Power Holdings, Inc.	ED-Chairman
	Alsing Power Holdings, Inc.	ED-Chairman
	Conal Holdings Corporations	ED-Chairman
	Sarangani Energy Corporation	ED-Chairman
	San Ramon Power, Inc.	ED-Chairman
	Alsons Energy Development Corporation	ED-Chairman
	Kamanga Agro-Industrial Ecozone Development Corp.	ED-Chairman
	Aces Technical Services Corporation	ED-Chairman
	Alsons Land Corporation	ED-Chairman

[2]The Group is composed of the parent, subsdiaries, associates and joint ventures of the company.

	ACR Mining Corporation Market Developers, Inc. (MADE) Eagle Ridge Golf & Country Club, Inc. Alsons Renewable Energy Corporation	ED-Chairman ED-Chairman ED-Chairman ED-Chairman
Editha I. Alcantara	Southern Philippines Power Corporation Western Mindanao Power Corporation Alto Power Holdings, Inc. Alsing Power Holdings, Inc. Conal Holdings Corporations Sarangani Energy Corporation San Ramon Power, Inc. Alsons Energy Development Corporation Kamanga Agro-Industrial Ecozone Development Corp. Aces Technical Services Corporation Alsons Land Corporation ACR Mining Corporation Market Developers, Inc. (MADE) Eagle Ridge Golf & Country Club, Inc.	ED ED ED ED ED ED ED ED ED ED ED ED ED ED
Tirso G. Santillan, Jr.	Sarangani Energy Corporation San Ramon Power, Inc. Mapalad Power Corporation Alsons Energy Development Corporation Kamanga Agro-Industrial Ecozone Development Corp. Siguil Hydro Power Corporation Kalaong Hydro Power Corporation Aces Technical Services Corporation A/S Power Development Inc. ACR Mining Corporation Market Developers, Inc. (MADE) Alsons Renewable Energy Corporation	ED ED ED-Chairman ED ED ED-Chairman ED-Chairman ED ED ED ED ED
Alejandro L Alcantara	Alsons Land Corporation Market Developers, Inc. (MADE)	NED NED
Conrado C. Alcantara	Alsons Land Corporation Market Developers, Inc. (MADE)	NED NED

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	*Holcim Philippines, Inc.* *Philweb Corporation* *Philippine Bank of Communications*	*NED* *ID* *ID*
Carlos G. Dominguez	*Phil. Tobacco Flue-Curing and Redrying Corp.* *United Paragon Mining Corporation*	*ED* *NED*
Thomas G. Aquino	*NOW Corporation* *A Brown Company*	*ED* *NED*

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Tomas I. Alcantara	*Alsons Corporation (ALCORP), Alsons Power Holdings Corporation (APHC), and Alsons Development and Investment Corporation (ALDEVINCO)*	*Chairman, Director and President of Significant Shareholders.*
Editha I. Alcantra	*ALCORP, APHC and ALDEVINCO*	*Director and Treasurer of Significant Shareholders.*
Alejandro I. Alcantara	*ALCORP, APHC and ALDEVINCO*	*Director of Significant Shareholders*

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Company has not imposed any limit on the number of board seats of its directors in other companies but it may consider the adoption of such guidelines taking into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

(e) Shareholding in the Company

Complete following table on the numbers of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
1. *Tomas I. Alcantara*	*1*	-	*0.00%*
2. *Editha I. Alcantara*	*100,000*	-	*0.00%*
3. *Tirso G. Santillan,Jr.*	*1*	-	*0.00%*
4. *Alejandro I. Alcantara*	*1*	-	*0.00%*
5. *Ramon T. Diokno*	*1*	-	*0.00%*
6. *Carlos G. Dominguez*	*100*	-	*0.00%*
7. *Conrado C. Alcantara*	*1*	-	*0.00%*
8. *Honorio A. Poblador III*	*100*	-	*0.00%*
9. *Jose Ben R. Laraya*	*100*	-	*0.00%*
10. *Jacinto C. Gavino, Jr.*	*1*	-	*0.00%*
11. *Thomas G. Aquino*	*100*	-	*0.00%*
Total 11			

2) Chairman & CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes		No	/

Identify the Chairman and CEO:

Chairman of the Board	Mr. Tomas I. Alcantara
CEO/President	Mr. Tomas I. Alcantara

The CEO of the Company who also assumes the role of the Chairman of the Board holds only one vote. Generally, the Board is the governing body of the Company, and all corporate acts are approved by the Board of Directors. The Board has constituted Nomination, Compensation, Executive and Audit Committees to ensure that there are adequate checks and balances in the Corporate Governance structure of the Company and an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman/CEO.

Definition	Chairman	Chief Executive Officer
Role Accountabilities Deliverables	*The Chairman of the Board shall preside over all meetings, whether regular or special of the Board of Directors and shall likewise preside over all meetings of stockholders. He shall have such other powers and duties as may be assigned to him by the Board of Directors.* *Further, the Chairman of the Board also: (a) Ensures that the meetings of the board are held in accordance with the By-Laws; (b) Supervises the preparation of the agenda of the eeting in coordination with the Corporte Secretary, taking into consideration the suggestions of management, the directors and other stockholders; (c) Maintains qualitative and timely lines of communication and information between the Board and management.*	*The President shall be the Chief Executive Officer of the Company and shall have general mangement and supervision of the business affairs and property of the Company. He shall have the power to enter into contracts and arrangements for and in behalf of the Company and to employ, appoint and remove officers and employees of the Company. He shall see to it that all orders and resolutions of the Board of Directors are carried into effect. The President shall submit to the stockholders at each annual meeting, a complete report of the operations of the Company for the preceeding year, and the state of its affairs, and he shall from time to time report to the Board of Directors all matters within his knowledge which the interests of the Company may require to be brough to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors..*

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors through its Nomination Committee, review and evaluate the qualifications of all persons nominated to the Board and other appointments, which includes CEO/President and the top key management positions that require Board approval and to assess the effectiveness of the Board's processes and procedures in the election or replacement of such.
(Revised Manual of Corporate Governance, page 12, Item II-a, Nomination Committee)

Part of the duties of the Board is to appoint competent, professional, honest and highly motivated management officers and to do this, management has adopted an effective Succession Planning Program.

The program includes the promotion end hiring decisions when filling key positions that become vacant and the specific development activities for each candidate, identified as "ready or nearly ready now" to asume the position in case of vacancy. While not completely closing the doors to external candidates, priority is given to internal applicants. Each incumbent in an identified succession position is responsible for nominating candidates to be included in the succession pool and in identifying the specific development plan to prepare the successor.

Specific to the CEO/President, the major qualities identified are integrity, maturity, energy, business acumen, leadership acumen, organizational skills, intellectual capacity, gloval mindset, superior judgment, insatiable appetite for accomplishment and results and powerful motivatiion to grow and convert learning into practice.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

It is the policy of the Company that the membership of the Board shall be a combination of executive and non-executive directors, including independent directors, in order that no director or small group of directors can dominate the decision-making process.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

It is the policy of the Company that chosen non-executive directors possess the qualifications and stature that will enable them to effectively participate in the deliberations of the Board.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors: *(Revised Manual on Corporate Governance, pages 3-4 and pages 8-9)*

	Executive/Non-Executive/Independent Director
Role	*The Board of Directors is the governing body elected by the stockholders to exercise the corporate powers of the Company, conduct its business and control its properties*
Accountabilities	*A Director should observe the following norms of conduct:* *a) Conduct fair business transaction with the Company and ensure that personal interest does not conflict with the interests of the Company.* *b) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.* *d) Act judiciously and carefully evaluate the issues, make inquiries and request clarification.* *d) Exercise independent judgment* *e) Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporations and By-Laws, the rules and regulations of the Commission, and, where applicable, the requirements of relevant regulatory agencies as well as developments in the industry.* *f) Observe confidentiality*
Deliverables	*Direct the Company towards sustained progress*

Provide the company's definition of "Independence" and describe the company's compliance to the definition.

The Company defines independence as a state or quality possessed by the respective individuals, which refers to the avoidance of being unduly influenced by a vested interest and to being free from any constraints that would prevent a correct course of action being taken.

The Board of Directors of the Company has three (3) independent directors. It is a given requirement that all directors exercise independent judgment. A director should view each problem or situation objectively.

The Audit Committee is constituted to perform oversight function over the Company's internal and external auditors to ensure that they are given unrestricted access to all records and other requirements; and free from interference by outside parties to enable them to perform their respective audit function.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company will formalize its policy that will be consistent with the related SEC Memorandum Circular 9, Series of 2011 on the Term Limits for Independent Directors, which took effect on January 2, 2012. Accordingly, the terms of any independent director as of January 2, 2012 would expire on or about December 31, 2016.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Director that happened during the period:

Name	Position	Date of Cessation	Reason
There were no changes in the composition of the Board of Director that happened during the period.			

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment	*The Directors are selected and elected to serve the Company according to the procedures set forth in the By-Laws, with particular care in regard to a director's ability to perform duties and responsibilities as specified in the Revised Manual on Corporate Governance.* *In case of vacancies and other authorized instances, the Board may select or appoint its own members recommended by the Nomination Committee. It may appoint members of senior management as a Director. The invitation to join the Board is extended by the Board itself.*	*The Board follows a screening process and evaluates it Director based on background, skills and characteristics, ability to act in good faith in the interest of the Company and its stakeholders, capacity to provide business continuity, possession of a keen understanding of the business and any other qualification as specified in the Revised Manual on Corporate Governance.*
b. Re-appointment	*The process followed in re-appointment follows the same procedures as if a new appointment is made.*	*The same criteria observed as if a new appointment is made.*
c.Permanent Disqualification and/or Removal		*The criteria for the permanent disqualification of a Director are appropriately described in Section E of the Revised Manual on Corporate Governance, which involves final or permanent judgment or order by a competent judicial or administrative body;order of the Commission or any court or administratuive body of competent jurisdiction and/or conviction by final judgment of an offense punishable by imprisonmengt for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.* *Any person earlier elected as Independent Director who becomes an oficer, employee or consultant of the Company.* *Any person judicialily declared as insolvent.*
d. Temporary Disqualification and/or Reinstatement and/or Suspension	*A temporary disqualified director shall, within sixty (60) business days from such disqualification, take appropriate action to remedy or correct the qualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.* *The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.* *The disqualification shall be lifted if the limit is later complied with.*	*A Director will be temporarily disqualified under the following:* *Refusal to comply with the disclosure requirements of the Commission and its implement Rules and Regulations.* *Absence in more than 50% of all regular and special meetings of the board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident.* *Dismissal or termination for cause as a director of any company covered by the Manual* *If the beneficial equity ownership of an Independent Director in the Company or its subsidiaries and affiliates exceeds two (2) percent of its subscribed capital stock.* *If any of the judgements or orders cited in the grounds for permanent disqualification has not yet become final.*

Voting Result of the last Annual General Meeting *(held last May 23, 2014)*

The number of nominees for directors is 11 and this equals the number of board seats available so that each of the 11 nominee for directors received equal number of votes of 5,066,840,277 each (Tomas I. Alcantara, Editha I. Alcantara, Carlos G. Dominguez, Honorio A. Poblador III, Tirso G. Santillan, Jr., Ramon T. Diokno, Conrado C. Alcantara, Alejandro I. Alcantara, Jose Ben R. Laraya, Thomas I. Aquino and Jacinto C. Gavino, Jr.)

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

The Company does not have a formal orientation program, however new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: Audited Financial Statements; SEC Form 20-IS-Information Statement/Annual Report; Revised Manual on Corporate Governance; Articles of Incorporation and By-Laws and other relevant write-ups, references and reports.

(b) State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years: (2009-2011)

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tomas I. Alcantara (Chairman President)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Editha I Alcantara (Director-Treasurer)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Carlos G. Dominguez (Director)	*09 June 2014*	*Corporate Governance Seminar*	*Center for Training and Development, Inc.*
Tirso G. Santillan, Jr. (Director-EVP)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Honorio A. Poblador III (Director)	*18 February 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Ramon T. Diokno (Director)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Jose Ben R. Laraya (Independent Director)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Thomas G. Aquino (Independent Director)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Luis R. Ymson, Jr. (Chief Financial Officer & Compliance Officer)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Roberto V. San Jose (Corporate Secretary)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Angel M. Esguerra, III (Asst. Corporate Secretary)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Esperidion D. Develos, Jr. (Chief Audit Executive)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*
Sylvia M. Duque (Member, Nomination Committee)	*07 November 2014*	*Corporate Governance Seminar*	*Risks, Opportunities, Assessment & Management (ROAM), Inc.*

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tomas I. Alcantara	*30&31 May 2013*	*Basic Course on Corporate Governancne for Banks*	*Bankers' Institute of the Philippines, Inc.*

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

The Company's Code of Conduct and Policies which was approved by the Board and posted on the Company's website, touches on the topics identified below:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	*This policy requires directors, officers, employees and consultants who find themselves in a potential or actual conflict of interest situation to promptly disclose the matter and, as applicable, seek an appropriate decision from the authorised person. Unless otherwise authorized by the Company, the person concerned should inhibit him/herself from any action, transaction, discussion, evaluation, or decision involving such conflict of interest. The policy also prohibits the Company from granting personal loan to directors or officers unless allowed by applicable laws and regulations.* *A Conflict of Interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest. Primary interest refers to the principal goals of the Company, such as the protection of its interests, the advancement of its financial and business performance and, the quality of service it provides to its clients. Secondary interest includes not only financial gain of an employee or group of employees, but also such motives as the desire for professional advancement and the wish to do favors for family and friends as such terms are defined in the Related Party Transactions Policy.* *GUIDELINES* *1) Employees are expected, at all times, to act in the best interests of the Company and to exercise sound judgment, unclouded by personal interest or divided loyalties, therefore while employed by the Company or any of its affiliates:* *(a) An employee is expected to devote his/her time, attention and skill to the affairs of the Company and its affiliates during the usual business hours and will use his/her best endeavors to further its interests in every way.* *(b) An employee is expected to at all times to diligently, faithfully and to the best of his/her ability, perform the duties and responsibilities for which he/she has been employed as well as abide any additional instructions as may reasonably be requested of him/her.* *(c) An employee is required to use all proper means within his/her area of control and responsibility to maintain and improve the business, and to protect and further the reputation and interest of the Company and its affiliates.* *(d) An employee is not permitted to work for, or have any interest in any other company or business, or undertake any activity which might interfere with his/her duties, or negatively affect his/her performance, or create a conflict with the company's interest.* *2) Whenever a director, officer, employee or consultant of the company find themselves in a possible or actual conflict of interest situation, they shall be required to disclose such fact to their supervisor or direct superior in order for the latter to determine the extent to which the possible or actual conflict of interest may adversely affect the Company's interests. This disclosure shall also include a request for approval from the company to engage in the subject action or activity.* *This supervisor or direct superior, on his/her own, or with the help of other qualified officers of the Company, shall assess the circumstances as well as all factors involving such possible or actual conflict and fairly decide on whether to allow the same or not.*		

(b) Conduct of Business and Fair Dealings	*Directors and Officers should not use his position to profit or gain some benefit or advantage for himself and/or his related interests.* *In espousing professionalism among all employees, the Company strictly prohibits behavior that violates common decensy as referred to in the Code of Conduct (ACR Employees Handbook, Section 1, 2-e page 4)*
(c) Receipts of gifts from third parties	*Directors, Senior Management and Employees must avoid situations where personal interests of the Company. Examples include involvement in competing businesses, accepting or giving preferential treatment, favors or gifts* *to customers and/or suppliers. (ACR Employee Handbook Section 1, 2-d , page 4)*
(d) Compliance with Laws & Regulations	*A director should have a working knowledge of the statutory and regulatory requirements that affect the Company. Officers and employees shall adhere to the norms and restrictions imposed by applicable laws, rules and regulations.*
(e) Respect for Trade Secrets/Use of Non-public Information	*A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.*
(f) Use of Company Funds, Assets and Information	*Diretors, Officers and Employees shall use company property and resources including company time, supplies and softwares, efficiently, responsibly and only for legitimate business purposes only.*
(g) Employment & Labor Laws & Policies	*The Company has an Employees' Handbook of Policies which provides for employee rights and obligations to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies, which are consistent with and in accordance with relevant provisions of the Labor Code.*
(h) Disciplinary action	*Employees disciplinary measures are imposed in progressively increasing weight whenever violations are committed against the prescribed policies, rules and regulations. A running period of one calendar year will be the basis for computing and imposing applicable penalties/recurring violations. The Management has the prerogative to impose appropriate disciplinary action depending on mitigating or aggravating circumstances. (ACR Employees Handbook, Section III, page 12)*
(i) Whistle Blower	*This specific policy pertains to "whistle-blowing" which refers to the disclosure by covered employees who have personal knowledge of fraud, misappropriations, discrimination, sexual harassment and other wrongful conduct by employees at the Company.* *GUIDELINES* *1) Mechanism. The Company shall designate a dedicated e-mail address for employees to freely communicate any wrongful conduct committed by employees while working at the Company. The reporting employee may report the wrongful conduct anonymously. This reporting mechanism is in addition to the existing system of reporting to a supervisor, a manager at the higher level, or in the Office of the Chairman, or others as specified in the individual policies.* *2) Confidentiality. Allegations of wrongful conduct will be taken seriously, and the Human Resources Department will direct the conduct of the investigation of such allegations. Reports will be kept confidential to the greatest extent possible, consistent with the need to conduct an investigation. The identity of the individual making the allegation will be kept confidential so long as it does not hinder or frustrate any investigation. However, the investigation process may reveal the resource of the information and the individual making the disclosure may need to provide a statement as part of the evidence required.* *3) Wrongful Conduct to be Reported. Reporting must be made in good faith. This policy is not intended to be a mechanism to communicate grievances against other employees of the Company or, unless such grievance is a wrongful conduct under existing policy.* *Violations of existing policies and any other unlawful or questionable actions may be reported through the dedicated whistle-blowing e-mail address on the matters such as, but not limited to:* *(i) Loss and fraudulent act or suspected fraudulent act,* *(ii) Criminal activity,* *(iii) Discrimination and Sexual Harassment*

	(iv) Violation of the code of conduct and accountability (v) Acceptance of gifts or other inducements (vi) Conflict of Interest (vii) Ill treatment of a costumer/client (viii) Dangerous act affecting health and safety (ix) Act causing damage to the environment (x) Breach of standing financial instructions (xi) Showing undue favor to a vendor or client or to a job applicant, or (xii) Information on any of the above that has been, is being, or is likely to be concealed. This list is not exclusive and is merely a guide. It should be emphasized that this policy is intended to assist employees who reasonably believe that they have personally witnessed any of the foregoing violations. It is not designated to question financial or business decision taken by management, and it should not be used to reconsider the decision on any matter that had already been rendered under the formal disciplinary and grievance procedures. Once the whistle-blowing procedures are in place, it is reasonable to expect employees to use them rather than air their complaints outside the Company. 4) No Harassment of a Whistle-blower. No employee, who in good faith, reports a violation, will suffer harassment or retaliation or bullying. The Company will not tolerate any harassment or victimization in whatever form or manner of a whistle-blower and will treat this as a serious disciplinary offense, which will be dealt with under the Company's existing disciplinary rules and regulations. 5) Untrue Allegations. If an employee makes an allegation in good faith, which allegation was proven to be false by subsequent investigation, no action will be taken against such employee. In making a disclosure, the employee should exercise due care to ensure veracity of the information. If, however, an employee makes malicious allegations or retaliations, disciplinary action may betaken against that individual. 6) Sanction. The Human Resources Department will be primarily responsible for imposing the sanction to employees who have been proven guilty for not following this policy. The appropriate sanction shall be based on the Company's Code of Conduct. 7) Amendment and/or Termination. At any time, and at its sole discretion, the Company may amend, modify or suspend or completely withdraw this policy, in a whole or in part. 8) Approvals. All approvals for any amendment to this policy are vested with the President upon the recommendation by the Human Resources, Internal Audit and Legal Departments.
(j) Conflict Resolution	Conflicts affecting directors, senior management and employees are amicably settled by internal discussions and meetings.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

A draft code of ethics and conduct has been drafted and revised, and is awaiting for distribution to all directors, managers and employees upon approval by the executive directors and senior management.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

Upon approval of the code of ethics and conduct, copies will be distributed to all directors, managers and employees, and it is expected that Human Resources department will conduct in-house briefings, seminars and general assemblies to discuss the code, its salient provisions, and how the employees will implement the same. The monthly general assembly of the employees of the Group will most likely be used to disseminate the code and inculcate compliance with the same at all levels.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(2) Joint Ventures	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(3) Subsidiaries	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(4) Entities Under Common Control	*Related party transactions are conducted at arm's length with consideration paid or received by the Company and on terms at least similar to any such terms available to non related party. The Board thru its Audit Committee defines the threshold for approval and/or disclosure, if needed.*
(5) Substantial Stockholders	*Substantial stockholdrs shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the stockholder to promptly notify the board of any proposed related party transaction. Conflicted stockhoders shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(6) Officers including spouse/children/siblings/parents	*Officers shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the officer to promptly notify the board of any proposed related party transaction. Conflicted officers shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(7) Directors including spouse/children/siblings/parents	*Directors shall disclose to the board, through the Corporate Secretary, details of all their directorships and any shareholdings owned by them or members of their family. It is the responsibility of the officer to promptly notify the board of any proposed related party transaction. Conflicted officers shall not participate in discussions on transactions in which they are a conflicted party and shall abstain from voting on such issues.*
(8) Interlocking director relationship of Board of Director	*As provided under the Corporation Code, management obtains the Board's approval before entering into any related party transaction ("RPT"). Thus, the RPT is specifically included in the notice and agenda of the Board meeting, and the Directors are fully informed of each proposed RPT. Moreover, the Directors of the Company who are also directors of the related party with whom the RPT is to be entered (the "inter-locked" Directors) are expressly excluded from the calculation of the quorum of the meeting during which the proposed RPT is considered. In the vote for the RPT, the inter-locked Directors are excluded from the voting.*

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

No related party transaction with subject directors/ officers and 5% shareholders, other than the per diem received for attending meetings of the Board and its committees.

(ii) Mechanisms

Describe the mechanism laid down to detect, determine and resolve any posible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	*The Company's accounting and audit departments continuously reviews its transactions and any sign of a conflict of interest is examined and investigated.*
Group	*The Company's accounting and audit departments continuously reviews its transactions and any sign of a conflict of interest is examined and investigated.*

5) Family, Commercial and Contractual Relations

(a) **Indicate, if applicable, any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:**

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Alsons Corporation (AC)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*
Alsons Development & Investment Corporation (ALDEVINCO)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*
Alsons Power Holdings Corporation (APHC)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*

(b) **Indicate, if applicable, any relation of a commercial, contractual or business that exists between the holders of significant equity (5% or more) and the company:**

Names of Related Significant Shareholder	Type of Relationship	Brief Description
Alsons Corporation (AC)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*
Alsons Development & Investment Corporation (ALDEVINCO)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*
Alsons Power Holdings Corporation (APHC)	*Affiliated with other significant shareholders*	*AC, ALDEVINCO & APHC are affiliates of each other*

(c) **Indicate any shareholder agreement that may impact on the control, ownership and strategic direction of the company:**

Name of Shareholder	% of Capital Stock affected (Parties)	Brief Description of the Transactions
None	*None*	*None*

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	*Between the Company and its stockholders, any "dispute" is addressed by conciliation meetings and efforts, on the Company's part, to assist the stockholders in their issue with the Company. To the extent allowed by law, rules and regulations, the Company extends advice and assistance to the stockholder, particularly those who have missing share certificates or those inheriting the same from relatives who had passed away.*

Corporation & Third Parties	*Between the Company and it third parties, the Company ensures that its contracts have alternative dispute resolution provisions, such as arbitration, that will allow the Company to avoid costly and time-wasting litigation. If the counter-party allows it, the venue of arbitration is in the Philippines.*
Corporation & Regulatory Authorities	*Between the Company and regulatory authorities, the Company simply seeks clarifications on the requirement(s) imposed by such agencies and attempts to comply with same. Such measures include conferences with the appropriate officials of the Commission.*

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Director's meetings scheduled before or at the beginning of the year?

Yes, board of directors' meetings are scheduled at the beginning of the year, in accordance with the requirements of the Articles of Incorporation and By-Laws.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings held during the year	No. of Meetings Attended	%
Chairman	1. Tomas I. Alcantara	23 May 2014	6	6	100%
Member	2. Editha I. Alcantara	23 May 2014	6	6	100%
Member	3. Tirso G. Santillan,Jr.	23 May 2014	6	6	100%
Member	4. Alejandro I. Alcantara	23 May 2014	6	3	50%
Member	5. Ramon T. Diokno	23 May 2014	6	5	83%
Member	6. Carlos G. Dominguez	23 May 2014	6	4	66%
Member	7. Conrado C. Alcantara	23 May 2014	6	6	100%
Member	8. Honorio A. Poblador III	23 May 2014	6	4	66%
Independent	9. Jose Ben R. Laraya	23 May 2014	6	6	100%
Independent	10. Jacinto C. Gavino, Jr.	23 May 2014	6	5	83%
Independent	11. Thomas G. Aquino	23 May 2014	6	6	100%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Management is unaware if the non-executive directors have a separate meeting or meetings during the year without the presence of any executive.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No, the minimum quorum requirement for Board decisions is set at a majority as specified in the Corporation Code and the Company's articles of incorporation and/or by-laws.

5) Access to Information

(a) How many days in advance are board papers for board of directors meetings provided to the board?

Notice of the meeting, agenda, reference materials and other related reports are required to be sent to the members of the Board of Directors at least three (3) days prior to the date of the meeting.

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes, each Director has independent access to management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc? *Yes*

The Company secretary is responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Company. He informs the members of the Board, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval. He ensures that all board procedures, rules and regulations are strictly followed by the members.

(d) **Is the company secretary trained in legal, accountancy or company secretarial practices?** Please explain should the answer be in the negative.

Yes, the Company Secretary has the appropriate administrative and interpersonal skills; and is aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.

(e) **Committee Procedures**

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes / No

Committee	Details of the procedures
Executive	*Notice of the meeting and related Agenda are sent at least three days before the scheduled meeting date, with presentation materials (if any), to be sent as soon as possible thereafter.*
Audit	
Nomination	
Compensation	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Engagement of consultants	*At Board or Committee meetings, Directors may suggest the engagement of consultants, whether o financial, accounting or legal matters, who can render advise on issues arising from the operations of the Compan and/or its subsidiaries.*
Direct Advice from Advisors and/or Counsel	*The Directors can directly contact the external advisors of the Company and ask them to address the Issues raised by such Directors and arising from the operations of the Company and/or its subsidiaries. Conferences among the Directors and advisors may be arranged.*

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
None	*None*	*None*

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	*The Board's Compensation Committee establishes a formal and transparent procedure for developing a policy on renumeration of CEO to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates*	*The Board, with the Compensation Committee, establishes a formal and transparent procedure for developing a policy on remuneration of senior managers to ensure that their compensation is consistent wih the Corporation's culture, strategy and the business environment in which it operates.*
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

2) **Remuneration Policy and Structure for Executive and Non-Executive Directors**

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-executive Directors is calculated.

	Remuneration	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	*Per diem*	*At each meeting of the Board of Committee, the Company pays the ED a per diem for attendance of the meeting*	*The Board reviews the remuneration of executive directors to ensure that their compensation is consistent wih the Corporation's culture, strategy and the business environment in which it operates.*
Non-Executive Directors	*Per diem*	*At each meeting of the Board of Committee, the Company pays the NED a per diem for attendance of the meeting*	*The Board reviews the remuneration of non-executive directors to ensure that their compensation is consistent wih the Corporation's culture, strategy and the business environment in which it operates.*

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes, the details are set forth below.

Remuneration Scheme	Date of Stockholders' Approval
Per diems in 2011 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	*18 May 2012*
Per diems in 2012 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	*24 May 2013*
Per diems in 2013 were duly reported to the stockholders at the annual meeting in the information statement and annexes thereto	*23 May 2014*

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration	Executive Directors	Non-Executive Directors (other than Independent directors)	Independent Directors
(a) Fixed Remuneration	None		
(b) Variable Remuneration			
(c) Per diem Allowance	*The aggregate amount paid by the Company to its Directors and Executive Officers as a group was ₱3,150,000.00*		
(d) Bonuses	None		
(e) Stock Options and/or other financial instruments			
(f) Others (specify)			
Total	*₱ 3,150,000.00*		

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members if the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Options/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
Not Applicable				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentives programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
Not Applicable		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Luis R. Ymson, Jr., Chief Financial Officer	*₱105,000.00*
Esperidion D. Develos, Jr., Chief Audit Executive	*₱105,000.00*
Roberto V. San Jose, Corporate Secretary	*₱210,000.00*
Angel M. Esguerra, III, Asst. Corporate Secretary	Not included in the Company's per diem

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	3	0	2	*The Company By-Laws, Article 1, Section 8*	*The ExecutiveCommittee exercise all the powers of the Board except: (1) The approval of any action for which stockholders' approval is required; (2) The filling of vacancies in the board; (3) The amendment or repeal of the By-Laws or the adoption of new by-laws; (4) The amendment or repeal of any resolutions of the Board of Directors which by its terms is not so amendable or repealable; and (5) Distribution of cash dividends to the shareholders.* *The act of the majority of the members of the Executive Committee shall be the act of the Executive Committee. Minutes of all the proceedings of the executive Committee shall be kept, and shall be submitte to the Board of Directors for its information.*	*The Executive Committee has the same responsibilities as the Board except for the responsibility for (1) The approval of any action for which stockholders' approval is required; (2) The filling of vacancies in the board; (3) The amendment or repeal of the By-Laws or the adoption of new by laws; (4) The amendment or repeal of any resolutions of the Board of Directors which by its terms is not so amendable or repealable and (5) Distribution of cash dividends to the shareholders.*	*The Executive Committee has the same power as the Board except for the power to (1) approve any action for which stockholders' approval is required; (2) Filling of vacancies in the board; (3) Amending or repealing of the By-Laws or the adoption of new by laws; (4) Amending or repealing of any resolutions of the Board of Directors which by its terms is not so amendable or repealable and (5) Distribution of cash dividends to the shareholders.*
Audit	2	1	2	*Audit Committee Charter*	*Assists the Board of Directors in fulfilling its responsibility for oversight of corporate governance processes, particularly those which affect the integrity of consolidated financial statements and any formal announcements relating to the financial performance*	*Oversight responsibility in matters relating to:* *1. The Company's consolidated financial statements and the financial reporting process* *2. Systems of internal accounting, financial controls, information technology security and managing business risks* *3. The functions of internal and external auditors and their performance* *4. Adoption of the highest standards of accounting and business ethics* *5. Compliance with legal and regulatory matters*	*Authority to conduct or authorize investigations into any matter within its scope of responsibility, with full access to all records, books of accounts, facilities and personnel. It has the authority to obtain advice and assistance from outside legal, accounting and other advisors, and to meet with and seek information it requires from employees, officers and directors*
Nomination	1	2	1	*Revised Manual on Corporate Governance*	*Review and evaluate the qualifications of all prsons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;*	*Ensure that all persons nominated to the Board and other appointments that require Board approval are qualified, and that the Board's processes and procedures in the election or replacement of directors are effective.*	*Screening of all persons nominated to the Board and other appointments; such other implied power to ensure that the Board's processes and procedures in the election or replacement of directors are effective.*

Compensation	2	1	1	*Revised Manual on Corporate Governance*	*Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*	*Establishment of a formal and transparent procedure for developing a policy on remuneration of directors and officers so that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.*	*Recommend to the Board a policy on the remuneration of directors and officers.*

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	23 May 2014	7	7	100%	3 years
Member (ED)	Editha I. Alcantara	23 May 2014	7	6	83%	3 years
Member (ED)	Tirso G. Santillan, Jr.	23 May 2014	7	7	100%	3 years
Member (ID)	Jose Ben R. Laraya	23 May 2014	7	7	100%	3 years
Member (ID)	Thomas G. Aquino	23 May 2014	7	3	68%	3 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman (ID)	Jose Ben R. Laraya	23 May 2014	6	6	100%	3 years
Member (ED)	Editha I. Alcantara	23 May 2014	6	5	83%	3 years
Member (ED)	Tirso G. Santillan, Jr.	23 May 2014	6	6	100%	3 years
Member (ID)	Jacinto C. Gavino, Jr.	23 May 2014	6	4	66%	3 years
Member (NED)	Ramon T. Diokno	23 May 2014	6	6	100%	3 years

Disclose the profile or qualifications of the Audit Committee members.

Each member has a working knowledge of the statutory and regulatory requirements and responsibilities, the business environment, operations and the risks relating thereto, and key accounting and financial reporting concepts and practices relevant to the various companies included in the Company.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee provides assistance to the board of directors in fulfilling the oversight responsibility to the shareholders relating to the functions of external auditors and their performance.

In consultation with the CEO, CFO and CAE, the Audit Committee recommends the appointment, compensation, and replacement of the external auditor. It reviews and approves the audit plan, and receives audit reports; including disagreements with management on critical accounting policies and practices. The Audit Committee assesses and ensures the independence of the external auditor, and recommends rotation, if applicable.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	23 May 2014	1	1	100%	3 years
Member (NED)	Sylvia M. Duque	23 May 2014	1	1	100%	3 years
Member (NED)	Carlos G. Dominguez	23 May 2014	1	1	100%	3 years
Member (ID)	Jose Ben R. Laraya	23 May 2014	1	1	100%	3 years

(d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2012)
Chairman	Tomas I. Alcantara	23 May 2014	-	-	-	3 years
Member (ED)	Tirso G. Santillan, Jr.	23 May 2014	-	-	-	3 years
Member (NED)	Honorio A. Poblador III	23 May 2014	-	-	-	3 years
Member (ID)	Jose Ben R. Laraya	23 May 2014	-	-	-	3 years

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	*No change during the year.*	
Audit		
Nomination		
Compensation		

4) Work done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	*This Committee reviewed all matters and actions for approval of the Board prior to presentation to the Board. Thus, all actions of the Board were recommended by this Committee after study and evaluation.*	*In reviewing all matters and actions for approval by the Board prior to presentation to the Board, this Committee addressed all contentious issues that the Board raised, as well as those issues arising from the study and evaluation of the proposed transactions. Such issues included (i) the transfer of shares of subsidiaries from a subsidiary to the Company; (ii) agreements with other shareholders of a foreign company for joint voting of said shares; (iii) loans with banks and affiliates for the funding of projects; audited annual and quarterly financial statement; conversion of advances into equity in a land-holding subsidiary; (iv) development expenses budget; (v) cash dividends; (vii) acceptance of a partner in a power project.*
Audit	a. *Assessed and challenged, where necessary, the correctness of the quarterly, midyear and annual consolidated financial statements and all related disclosures and reports certified by the CFO before submission to the board and released to the SEC and the public. In consultation with the CFO and CAE assured the relevance and consistency of the accounting policies applied; no material errors or misstatements and fraud occurred.* b. *In consultation with the External and Internal Auditors, assessed the effectiveness and adequacy of the internal control systems. Understood the audit plan and obtained results of audit activities, including significant findings, corresponding recommendations and Management responses and plans of action.* c. *Obtained assurance that the External and Internal Auditors had free and full access to the Company records and were free from interference in the conduct of the audits. Recommended the appointment of the External Auditor*	*All questions raised to clarify items in the financial statements were adequately answered, particularly the assumptions used in the valuation and impairment assessment, which were all disclosed in the financial statements under Significant Judgments and Estimates.* *Aside from those specifically identified and disclosed under the Notes to Financial Statements, there were no issues raised that materially affected the accuracy of financial statements.* *None*

	d. Obtained and understood updates on ongoing projects of subsidiaries and visited and did ocular inspection of the existing facilities e. Revised the Audit Committee Charter to comply with the new guidelines and completed the assessment of the performance of the Committee	There were no material issues raised and the Committee agreed to continuously improve its performance
Nomination	This Committee reviewed and evaluated the qualifications of the persons nominated to the Board	The issue of the qualifications of the persons nominated to the Board were addressed by this Committee.
Compensation	Members of this Committee were consulted on the proposed increase of the per diems for the directors and executive officers, which increase was implemented.	The issue of whether or not to increase the per diems of the directors and executive officers was addressed by this Committee.

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	This Committee will continue to review and evaluate the transactions to be brought to the Board.	This Committee will address all the issues arising from transactions to be brought to the Board.
Audit	This Committee will continue to assess and challenge, where necessary, the correctness of the quarterly, midyear and annual consolidated financial statements and all related disclosures and reports certified by the CFO before submission to the Board and release to the SEC and the public. In consultations with the CFO and CAE, this Committee will continue to: (a) assure the relevance and consistency of the accounting policies applied; (b) ensure that no material errors or misstatements and fraud occur; (c) in consulation wih the External and Internal Auditors, assess the effectiveness and adequacy of the internal control systems, review the audit plan and obtain results of audit activities, including significant findings, correspondence, corresponding recommendations and Management responses and plans of action; (d) obtain assurance that the External and Internal Auditors had free and full access to the Company records and were free from interference in the conduct of the audits; (e) Recommended the appointment of the External Auditor; (f) obtain and understand updates on ongoing projects of subsidiaries and visit and do occular inspection of the existing facilities; (g) revise the Audit Committee Charter to comply with the new guidelines and complete the assessment of the performance of the Committee.	This Audit Committee will address all the issues arising from transactions to be brought to the Executive Commiteee and/or Board.
Nomination	This Committee will continue to review and evaluate the qualifications of all persons nominated to the Board, as well as other appointments that require Board approval. Moreover, it will continue to aassess the effectiveness of the Board's processes and procedures in the election or replacement of directors;	This Committee will address the issues arising from nominations to the Board, including the issue of qualifications of various nominees. The Committee will also determine whether it needs a separate Charter similar to that of the Audit Committee.
Compensation	Members of the Compensation Committee continue to develop a policy on remunerations of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates	This Committee will most likely address the issues arising from such a policy, including the extent of application, and the criteria for officers to be beneficiaries of such policies in the context of the business environments where the Company or its subsidiaries operate.

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company

The Company believes that the oversight and accountability for the risk assessment process is critical to ensure that the necessary commitment and resources are secured, that it occurs at the right level in the organization and the risks are evaluated through a rigorous and ongoing process, the results of which are timely acted upon.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof

The board of directors through the Audit Committee reviewed the effectiveness and adequacy of the risk management system.

(c) Period covered by the review

Year 2014

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The review of the Company's risk management system is continuous and reports on its adequacy and effectiveness obtained as regularly as needed.

(e) Where no review was conducted during the year, an explanation why not.

Annual review is conducted.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behid the policy for each kind of risk.

Risk Exposure	Risk Management Policy	Objective
Credit Risk	*The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.*	*Ensure that the counterparty will meet its obligation*
Liquidity Risk	*The Company maintains sufficient funds or will not have difficulty in raising funds to meet or settle its obligations at a reasonable price*	*Ensure that the Company maintains sufficient funds to finance its operations*
Interest Rate Risk	*The Company manages its interest cost using a mix of fixed and variable debt rates and monitors possible changes in interest rates using sensitivity analysis*	*Ensure that changes in market interest rates will not materially affect the fair value or future cash flows of financial instruments*
Equity Price Risk	*The Company intends to hold on to investmnets indefinitely in response to liquidity requirements or changes in market conditions*	*Ensure that decreases as a result of changes in the value of individual stocks will not materially affect the fair value of quoted AFS investments*
Foreign Currency Risk	*The Company manages its exposure to foreign currency risk by maintaining sensitivity analysis of possible decline in values and limits its transactions denominated in currencies other than its functional currency*	*Ensures that losses due to changes in foreign currency is limited*

Capital Management	*The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment, return capital or issue new shares to stockholders. The Company monitors capital on the basis of the debt-to-equity ratio.*	*Ensures that the Company maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value*

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk	*The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.* *In the Group's real estate business, the transfer of the property is executed only upon full payment of the purchase price. There is a provision in the Sales Contract which allows forfeiture of the instalment/deposits made by the customer in favor of the Group in case of default.* *In the power generation business, it is the policy of the Group to comply with all the provisions in the Energy Conversion Agreements (ECA)* *With respect to financial assets of the Group, maximum exposure arising from default of the counterparty is equal to the carrying value of the instruments.*	*Ensure that the counterparty will meet its obligation under a financial instrument or a customer contract and avoid financial loss.* *Minimize Group's exposure to bad debts.* *Minimize the credit risk exposure or any margin loss from possible default in the payment of instalment.*
Liquidity Risk	*The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements.*	*Maintain sufficient cash and cash equivalents to meet maturing obligations and pay dividend declarations.*
Interest Rate Risk	*The Group's policy is to manage its interest cost using a mix of fixed and variable debt rates and monitors possible changes in interest rates using sensitivity analysis*	*Ensure that changes in market interest rates will not materially affect the fair value or future cash flows of financial instruments*
Equity Price Risk	*The Group intends to hold on to investmnets indefinitely in response to liquidity requirements or changes in market conditions*	*Ensure that decreases as a result of changes in the value of individual stocks will not materially affect the fair value of quoted AFS investments*
Foreign Currency Risk	*The Group manages its exposure to foreign currency risk by maintaining sensitivity analysis of possible decline in values and limits its transactions denominated in currencies other than its functional currency*	*Ensures that losses due to changes in foreign currency is limited*
Capital Management	*The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment, return capital or issue new shares to stockholders. The Company monitors capital on the basis of the debt-to-equity ratio.*	*Ensures that the Group maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value*

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholder
The principal risk to the minority shareholders of the exercise by the controlling shareholders' voting power is lack of control.

3) **Control System Set Up**

(a) **Company**

Briefly describe the control system set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial Risks	*Financial Statement risk assessment*	*Evaluate risks related to the material misstatement of the Company financial statements through input from the Accountants, Internal Audit and Operations. The evaluation considers the characterisitcs of the financial reporting elements; particularly, materiality and susceptibility of the underlying accounts, transactions, or related support to a likelihood that a control may fail to operate as intended and its impact to financial reports.*
Market Risks	*Market risk assessment*	*Evaluate market movements that could affect the Company's performance, particularly interst rates and currency.*
Credit Risks	*Credit risk assessment*	*Evaluate the potential that a borrower will fail to meet its obligations in accordance with agreed terms.*

(b) **Group**

Briefly decribe the control system set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial Risks	*Financial Statement risk assessment*	*Evaluate risks related to the material misstatement of the Company financial statements through input from the Accountants, Internal Audit and Operations. The evaluation considers the characterisitcs of the financial reporting elements; particularly, materiality and susceptibility of the underlying accounts, transactions, or related support to a likelihood that a control may fail to operate as intended and its impact to financial reports.*
Market Risks	*Market risk assessment*	*Evaluate market movements that could affect the Company's performance, particularly interst rates and currency.*
Credit Risks	*Credit risk assessment*	*Evaluate the potential that a borrower will fail to meet its obligations in accordance with agreed terms.*

(c) **Committee**

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanisms	Details of its Functions
Audit Committee		*The Committee encourages continuous improvement of and fosters adherence to the policies, procedures and best practices set up by the Company as well as the subsdiaries under it, at all levels. It provides for open communications among and between management, the exernal auditors, internal auditors and the board of diretors.*

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company

The Company's Manual on Corporate Governance defines internal control system as the framework under which internal controls are developed and implemented to manage and control business risks to which the Company is exposed. The manual further identifies the objectives of the internal control system which is to ensure the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate

The Board of Directors confirm the adequacy and effectiveness of the internal control system of the Company.

(c) Period covered by the review;

Year 2014

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The review of internal controls is continuous and the Board of Directors, thru its Audit Committee renders an annual report of its adequacy and effectiveness.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable, quarterly review is conducted.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-House or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting Process
To provide independent assurance to the Board and Management as to the status of the Company's risk management, control and governance processes.	The Internal Audit Team is involved in the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management, and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the Company's stated goals and objectives. It's responsibilities thereby include, though not limited to, the following: Evaluation	In-House	Mr. Esperidion D. Develos, Jr.	The Internal Audit Group reports functionally to the Board of Directors through the Audit Committee. Its activities are guided and performed in accordance with the revised "Standards for the Professional Practice of Internal Auditing" and "Code of Ethics" developed by the Institute of Internal Auditors and/or any other auditing standards as may be adopted by the Internal Audit

	of the reliability and integrity of information and the means used to identify, measure, classify, and report such information; Evaluation of the means of safeguarding assets; and, Assessment of the effectiveness and efficiency with which resources are employed.			

(b) Do the appointment and/or removal of the Internal Auditor or the accounting/ auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The appointment or removal of the Chief Internal Auditor is vested in the Audit Committee.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of the directors and the audit committee and to all records, properties and personnel?

The results of the financial, operations and compliance review conducted by Internal Audit are reported directly to the Audit Committee. In the performance of its audit function, it has full access to all records, facilities, properties and personnel of the line companies and is authorized to review and appraise policies, plans, procedures, and processes. The internal audit activity is free from interference in determining its scope, performing its work and communicating its results. A separate meeting between the Audit Committee and the Chief Audit Executive may be conducted to discuss any matter that may be necessary to be discussed privately.

(d) Resignation, Re-assignment and Reasons

Disclose any registration/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

The Internal Auditors' assignments are rotated periodically to avoid familiarity and ensure independence. For the year 2014, the following Internal Auditors tendered their resignation.

Name of Audit Staff	Reason
Chonabeth I. Nazario (AVP & Head of Group Internal Audit)	Career advancement
Cherryl Ivy C. Losala (Group Internal Auditor)	Personal

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	*The progress of Annual Internal Audit Plan versus the Actual engagements completed or on-going is being monitored annually and is reported to the Audit Committee*
Issues	*Issues are discussed with the Auditees in informal and formal meetings for clarification and/or agreement to subsequently comply or discuss required changes or updates to existing policies or procedures, if necessary.*
Findings	*Findings are discussed with the Auditees in informal and formal exit meetings and their responses considered and included as Auditees' Comments in final Audit Reports*
Examination Trends	*As a holding Company, the examinations are being conducted on the subsidiaries*

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) **Preparation of an audit plan inclusive of a timeline and milestones;**
2) **Conduct of examination based on the plan;**
3) **Evaluation of the progress in the implementation of the plan;**
4) **Documentation of issues and findings as a result of the examination;**
5) **Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;**
6) **Conduct of the foregoing procedures on a regular basis.]**

The Internal Audit Plan is presented to the Audit Committee for approval on a yearly basis. The assignments are prioritized to cover transactions mostly at risk in case of non-compliance or deviation. The timing, scope and limitations of the actual audit activity is based on volume, size and complexity of transactions, the degree of delegation of authority, extent and effectiveness of information technology and extent of regulatory compliance.

Under the Internal Audit Annual Plan, for financial audits, which are designed to validate the existence, accuracy and completeness of account balances, account balances as of a particular date are reviewed. For operations audit, which involve the walkthrough of procedures and compliance review, samples for testing are selected from a period of one year.

All audit findings are discussed with the line management operating heads to validate that the Internal Auditor's understanding of the processes and procedures is accurate and to obtain agreement on the facts and key statements in the report. The Auditees' comments, responses on recommendations, concurrence or non-concurrence with the findings, corrective actions and timetable for such actions are incorporated in the audit report.

Internal audit will report on the results of the review on the next nearest Audit Committee meeting.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation".

Policies & Procedures	Implementation
Cash	*Implemented*
Receivables	*Implemented*
Inventories	*Implemented*
Fixed Assets	*Implemented*
Investments	*Implemented*
Payables	*Implemented*
Requisition, Procurement and Storage Process	*Implemented*
Release of Materials and Inventory Process	*Implemented*
Expenditure and Disbursement Process	*Implemented*
Recruitment/Labor Contracting/Salary and Benefit Management Process	*Implemented*
Contract Review	*Implemented*
Billing and Collection Process	*Implemented*
Project Management Process	*Implemented*
Outside and Contracted Service Review	*Implemented*
Compliance Review over Regulatory Reports	*Implemented*

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal ad External)	Financial Analysts	Investment Banks	Rating Agencies
a. The Group reports directly to the Audit Committee, not to Management b. The Group does not assume operating responsibilities and is not required nor expected to develop or install procedures, prepare records or engage in any activity which will be subject of review c. Internal Auditors are free from interference in determining the scope of examination, in performing audit work and in communicating results of audit d. Internal Auditors have free and full access to all records, properties and personnel	The Financial Analysts engaged by the Company for various purposes are so engaged precisely because of their independence so that their findings are credible to those who will be using their findings. The have the quality to avoid being unduly influenced by a vested interest and being free from any constraints that would prevent a correct course of action being taken.	The Investment Banks who transact, or propose to transact, with the Company, are not affiliated with the Company and possess the quality to avoid being unduly influenced by avested interest and being free from any constraints that would prevent a correct course of action being taken.	The Rating Agencies the rate the Company are not affiliated with the Company and possess the quality to avoid being unduly influenced by a vested interest and being free from any constraints that would prevent a correct course.

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such information must state that all directors, officers and employees of the company have been given proper instruction of their respective duties as mandated by the Code and that internal mechanism are in place to ensure that compliance.

The Chairman and President (who is the CEO) and the Compliance Officer attest to the company's full compliance with the SEC Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	The Company's commitments to its stakeholders include a commitment to its customers of product excellence and quality service	The Company adheres to its commitments to its customers by adopting and maintaining practices that will produce an excellent product and/or render services of excellent quality
Supplier/contractor selection practice	The Company's selection practice for its supliers and contractors takes into account not only the lowest price but the right price and quality for the services or goods being supplied.	The Company review its requirements from suppliers and contractors and considers prices and quality of products and good supplied or services to be rendered.
Environmentally friendly value-chain	To the extent possible, the environment is considered in deciding who will provide the products and services in the company's value chain.	The Company assiduously reviews its requirements from suppliers and contractors and considers the environmental impact of the products or good supplied or services to be rendered.
Community interaction	The Company's commitments to its stakeholders include a commitment to its host communities of shared efforts in sustainable development. Thus, the Company continued outreach to host communities in coordination with the Conrado and Ladislawa Alcantara Foundation Inc. (CLAFI), a non-stock, non-profit entity overseeing the Corporate Social Responsibility (SCR) functions of the Company and the Alcantara Group.	Donation of workbooks; provision of tutoring and mentoring programs, and English review sessions; scholarships for short-term technical-vocational courses, high school and college students; donations of study chairs, computer equipment, and entire scool buildings.

Anti-corruption programmes and procedures?	*Corruption is deterred by the dissemiation of ethical expectations and he enforcement of rules and regulations.*	*The Company disseminates its materials to establish ethical standards of conduct, and reinforces the same by regular lectures during its monthly general meeting of all Group employees.*
Safeguarding creditors' rights	*The Company respects the rights of its creditors by complying with all of its affirmative covenants, negative undertakings and all other obligations in its various creditors' agreements.*	*The Company regularly reviews its loan and security agreements to ensure thit all of the rights of the creditors are observed, and all of its obligations are complied with.*

2) **Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?** *Yes*

3) **Performance-enhancing mechanisms for employee participation.**

(a) What are the company's policy for its employees' safety, health, and welfare?

The company, as part of the Group, provides its employess with Management-initiated Benefits in addition to providing the benefits mandated by statutes. Management-initiated Benefits include additional vacation leave, sick leave, transporation allowance, rice, uniform, medical & hospitalization benefits, accident and life insurance.

(b) Show data relating to health, safety and welfare of its employees.

The data for the Company employees relating to health, safety and welfare re to be extracted from the data for the Group employees, which extraction is currenlly on-going.

(c) State the company's training and development programmes for its employees. Show the data.

The data for the Company's training and development program for its employees are to be extracted from the data for the Group employees, which extraction is currently on-going.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

This Company is considering the codification of this policy.

4) **What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.**

Currently, complaints by employees concerning illegal and unethical behavior, including corruption, if any, are coursed through the appropriate department, including but not limited to, the Human Resources Department, Internal Audit or Legal. Depending on the nature of the complaint, and the evidence of the complainant, the Company will call the attention of the employee concerned, ask him/her to submit an explanation and, depending on the employee's explanation, impose the appropriate sanction, which may inclue, but are not limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevant jurisprudence. Complaining employees are protected from retaliation by anonymity and confidentiality.

To further enhance the reception, investigation and handling of these complaints, as well as ensuring that complaining employees are protected from retaliation, the Company implemented its Whistleblowing Policy effective October 1, 2014. There is now a dedicated e-mail address where employees can report anonymously, if desired.

I. DISCLOSURE AND TRANSPARENCY

1) **Ownership Structure**

(a) Holding 5% shareholding or more (as of May 23, 2014)

Shareholder	Number of Shares	Percent	Beneficial Owner
Alsons Corporation *Alsons Power Holdings Corporation* *Alsons Development & Investment Corporation*	*2,592,524,072* *1,249,999,600* *1,188,524,026*	*41.21%* *19.87%* *18.89%*	*Alcantara Family represented by its President, Mr. Tomas I. Alcantara*
PCD Nominee Corporation (Fil)	*1,108,739,577*	*17.62%*	*There are no holders of more than 5% of common shares individually. The clients of the various PCD participants have the power to decide how the shares are to be voted*

Name of Senior Management	Number of Direct Shares	Number of Indirect shares/ Through (name of record owner)	% of Capital Stock
Tomas I. Alcantara	*1*	-	-
Editha I. Alcantara	*100,000*	-	-
Alejandro I. Alcantara	*1*	-	-
Jacinto C. Gavino	*1*	-	-
Ramon T. Diokno	*1*	-	-
Carlos G. Dominguez	*1*	-	-
Jose Ben R. Iaraya	*100*	-	-
Conrado C. Alcantara	*1*	-	-
Honorio A. Poblador III	*100*	-	-
Thomas G. Aquino	*100*	-	-
Tirso G. Santillan, Jr.	*10,406*	-	-
Total	*110,712*	-	-

2) Does the Annual Report disclose the following:

Key risks	*Yes*
Corporate objectives	*Yes*
Financial performance indicators	*Yes*
Non-financial performance indicators	*Yes*
Dividend policy	*Yes*
Details of whistle-blowing policy	*Yes*
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	*Yes*
Training and/or continuing education programme attended by each director/commissioner	*Yes*
Number of board of directors/commissioners meetings held during the year	*Yes*
Attendance details of each director/commissioner in respect of meetings held	*Yes*
Details of remuneration of the CEO and each member of the board of directors/commissioners	*Yes*

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure. *Not applicable*

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SyCip, Gorres, Velayo & Co.	*₱811,519.52*	-

4) Medium of Communication

List down the models of communication that the company is using for disseminating information.

The Company formally disseminates information to its stockholders via the Exchange and the Commission using facsimile transmission, emails, and uploading into the portals of these institutions. The Company also maintains a website that may be accessed by all stockholders and the public.

5) **Date of release of audited financial report**

April 15, 2014 with disclosure to the Philippine Stock Exchange and Securities Exchange Commission under SEC Form 17-A.

6) **Company Website**

Does the company have a website disclosing up-to-date information about the following?

Business operations	*Yes*
Financial statements/reports (current and prior years)	*Yes*
Materials provided in briefing to analysts and media	*Yes*
Shareholding structure	*Yes*
Group corporate structure	*Yes*
Downloadable annual report	*Yes*
Notice of AGM and/or EGM	*Yes*
Company's constitution (company's by-laws, memorandum and articles of association)	*No. The Company's amended Articles of Incorporation and/or By-Laws are available to the public through the Commission. However, any stockholder may request the Company for a copy of the same. These amended Articles of Incorporation and/or By-Laws may also be uploaded into the Company's website as soon as the same shall be re-formatted for easier review by stockholders who will be accessing the site.*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

The Company's amended articles of incorporation and/or by-laws (the Corporation Code does not use the terms "memorandum and articles of association") are available to the public through the Commission. However, any stockholder may request the Company for a copy of the same. These amended articles of incorporation and/or by-laws may also be uploaded into the Company's website as soon as the same are re-formatted for easier review by stockholders accessing the site.

7) **Disclosure of RPT**

RPT	Condition	Nature	Value
Major Stockholders	*Party Secured*	*Advances*	*2,626,965,900*
Subsidiaries of major stockholders	*Unsecured*	*Advances*	*49,654,432*
Affiliates	*Unsecured*	*Advances*	*268,070,204*

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

As provided under the Corporation Code, management obtains the Board's approval before entering into any related party transaction ("RPT"). Thus, the RPT is specifically included in the notice and agenda for the Board meeting, and the Directors are fully informed of each proposed RPT. Moreover, the Directors of the Company who are also directors of the related party with whom the RPT is to be entered (the "inter-locked" Directors) are expressly excluded from the calculation of the quorum of the meeting during whoch the proposed RPT is considered. In the vote for the RPT, the inter-locked Directors are excluded from the voting.

J. **RIGHTS OF STOCKHOLDERS**

1) **Right to participate effectively in and vote in Annual/Special Stockholders' Meetings**

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

A quorum for any meeting of the stockholders shall consist of a majority of the subscribed stock of the corporation, and a majority of such quorum shall decide any question at the meeting, save and except in those matters where the Corporation Law requires the affirmative vote of a greater proportion.
(Amended By-Laws, Article 3, Section 4, page 10)

(b) Systems Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	*Advice and Ratification*
Description	*Prior to the annual or any special stockholders meetings, a list and summary of corporate acts by the Board and management is prepared and distributed to the stockholders. At the annual or any special stockholders meeting, the Board directs the attention of the stockholders to this list and summary for their review and questions. If there are questions, the Board and management addresses the questions. If there are no further questions, the Chairman specifically asks the stockholders to ratify these acts of management.*

(c) Stockholders's Rights

List any Stockholders' Rights concerning Annual/Special Stockholders's Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
The stockholers have the right, as provided by the Corporation Code and Articles of Incorporation, to, among others, (i) vote on all matters that require the stockholders' consent or approval; (ii) inspect corporate books and records; (iii) information; (iv) dividends; and (v) appraisal of the stockholders' shares.	*Under the Company's By-laws, Articles III, section 2, a stockholder holding of record not less than ¼ of the outstanding capital stock of the Company may request in writing for a stockholders' meeting and the Board or the President must call for a special stockholders' meeting*

Dividends

Declaration Date	Record Date	Payment Date
May 23, 2014 *March 21, 2013* *May 4, 2012*	*June 30, 2014* *May 23, 2013* *May 18, 2012*	*July 24, 2014* *June 14, 2013* *June 14, 2012*

(d) Stockholders' Participation

(i) State, if any, the measures adopted to promote stockholder participation in the Annual/ Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Notice and Full Disclosure	*The Board timely advises the stockholders of the annual stockholders with adequate information meaningfully participate in the meeting. The notice and other materials for the stockholders have reminders of the rights of the stockholders.*

Advise and Ratification	*Prior to the annual or any speical stockholders meetings, a list and summary of corporate acts by the Board and management is prepared and distributed to the stockholders. At the annual or any speiel stockholders meeting, the Board directs the attention of the stockhoders to this list and summary for their review and questions. If there are questions, the Board and management addresses the questions. If there are no further questions, the Chairman specifically asks the stockholders to ratify these acts of management*

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

a. Amendments to the company's constitution

The articles of incorporation, as amended, is the constitution of the Company. Pursuant to the Corporation Code, section 16, the amendment of the articles required the vote or written assent of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in amending its articles, the Company calls for a stockholders' meeting and asks its shareholders to actively participate in the corporate decision of amending the articles of incorporation or constitution of the Company.

b. Authorization of additional shares

The articles of incorporation, as amended, sets for the number and other details of the shares of the capital stock ofr the Company. Pursuant to the Corporation Code, section 38, the increase in the capital stock requires the vote of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in authorizing additional shares in its capital stock, the Company calls for a stockholders' meeting and asks its sharesholders to actively participate in the corporate decision of authorizing shres in the capital stock of the Company.

c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Pursuant to the Corporation Code, section 40, the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the Company's assets requires the vote of the stockholders representing at least 2/3 of the outstanding capital stock. Therefore, in authorizing such a transfer, the Company calls for a stockholders' meeting and asks its shareholders to actively participate in the corporate decision of transferring all or substantially all of the Company's assets.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes, giving out notice of Annual Stockholders' Meeting is 23 days as counted from April 30, 2014 to May 23, 2014.

a. Date of sending out notices: *On April 30, 2014, sending out of Notices and Definitive Information Statement in compact disc to all record stockholders was done thru personal delivery using courier service or registered mail.*

b. Date of the Annual/Special Stockholders' Meeting: *May 23, 2014*

4. State, if any, questions and answers during the Annual/ Special Stockholders' Meeting.

During the Annual Stockholders' Meeting, a stockholder referred to the previously disclosed fund-raising effort by the Company that did not proceed and asked whether the discontinued fund-raising effort was the cause of the delay of the power project of one of the Company's subsidiaries, Sarangani Energy Company, Inc.

The Company's management replied that it still intended to raise funds for its future projects and that the previously disclosed fund-raising effort was affected, among other factors, with the state of the international capital markets. Sarangani Energy's power project was not delayed by the adjustment in the Company's fund-raising effort because it had its own funding from project debt.

Another stockholder asked whether the Company has a share buy-back program, to which the Company's management replied that it could study such a program.

Another stockholder referred to a news article claiming that the price of the power to be sold by one of the Company's subsidiaries, San Ramon Power, Inc., was more expensive that an alleged competitor and asked if this was true. The Company's management replied that price of power depended on the contruction price for the plant and refuted the claims by alleged competitiors without previous experience in constructing and maintaining power plants.

A stockholder asked whether a Japanese company he could not name was still interested in investing in the Company, to which the Chair advised the stockholders of the name of the Japanese company and its continued interest in investing in the Company.

Another stockholder asked whether the shares of one of the Company's subsidiaries, Alsing Power Holdings, Inc., would be listed in the Exchange. The Company's management replied that the Company's power subsidiaries were not listed.

A stockholder asked why the prices of the power to be sold by the Company's subsidiaries were different from each other. The Company's management replied that the Company's subsidiaries had different types of power plants consuming different types of fuel for different uses. After explaining the types of plants, fuel and uses, the Company's management advised that prices of different types of plants will necessarily be different.

Another stockholders referred to the Company's long-term debt and asked whether the same was still manageable, to which the Company's management replied in the affirmative.

A stockholder asked whether the Company had renewable energy projects, to which the Company's management replied that it was studying a hydro-power project in Mindanao.

5. Result of Annual/Special Stockholders' Meeting's Resolutions
May 23, 2014 Annual Stockholders' Meeting

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of Annual Stockholders' Meeting held on May 24, 2013.	*Stockholders representing a total of 5,066,840,277 shares of stocks or 80.53% of the Corporation's outstanding shares entitled to vote*	*None*	*None*
Approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2013		*None*	*None*
Ratification of the actions & proceedings of the Board of Directors, different Committees and Management during the year 2013.		*None*	*None*
Election of Directors (including Independent Directors)		*None*	*None*
Amendment of Article Three of the Article of Incorporation on principal office address			
Appointment of the External Auditors – Sycip Gorres Velayo & Co.		*None*	*None*

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: *The results of the annual stockholders' meeting was immediately disclosed to PSE's on line reporting system (PSE Edge Submission System) within the same date of the meeting.*

(e) Modification

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
No modification made in the Annual/Special Stockholders' Meeting regulations during the most recent year.	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	Directors: 1. Tomas I. Alcantara 2. Editha I. Alcantara 3. Alejandro I. Alcantara 4. Tirso G. Santillan, Jr. 5. Ramon T. Diokno 6. Jose Ben R. Laraya 7. Carlos G. Dominguez 8.Honorio A. Poblador, III 9. Jacinto C. Gavino, Jr. 10. Conrado C. Alcantara 11. Thomas G. Aquino Officers: 1. Luis R. Ymson, Jr. 2. Roberto V. San Jose 3. Angel M. Esguerra, III 4. Esperidion D. Develos, Jr.	***23 May 2014***	By poll one share one vote	***0.12%***	***80.41%***	***80.53%***
Special	*No Special Stockholders' Meeting held during the year.*					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the AASM/SSMs? The Company asks personnel from its stock & transfer agent to act as inspectors to count and/or validate the proxies before the stockholders meeting, and the votes taken, if any, at such meetings.

Yes. Sycip Gorres Velayo & Co. was the appointed Board canvasser, an independent party to count and validate the votes during the Annual Stockholders' Meeting held on May 23, 2014.

(iii) Do the company's common shares carry on vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes. The Company's common shares entitles the holder to one vote that may be exercised in person or by proxy at shareholders' meeting, including the Annual Stockholders' Meeting.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	*Pursuant to the Company's By-Laws, Article III, section 7, every stockholder entitled to vote at any meeting of the stockholders may, so vote by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself, or by his duly authorized attorney in favor of a registered stockholder. No proxy in favor of a third person who is no a bona fide registered stockholder of the Company and no proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the Meeting. The instrument authorizing a proxy to act shall be lodged with the Secretary at least five (5) days*

	before the date of the meeting. No proxy shall be recognized for shares in the names of stockbrokers who are members of the stock exchanges, unless accompanied by the written consent or authorization of their clients authorizing the grant of such proxy or by a certification by the stockbroker that the shares are beneficially owned by him.
Notary	*If the signature on the proxy is known and recognized by the Secretary, the legal acknowledgment of such a signature is not necessary.*
Submission of Proxy	*The instrument authorizing a proxy to act shall be lodged with the Secretary at least five (5) days before the date of the meeting.*
Several Proxies	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, section B.10, "Where the same stockholder gives two or more proxies, the latest one given is to be deemed to revoke all former proxies."*
Validity of Proxy	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance of proxies, or the validity of the proxy, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*
Proxies executed abroad	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, section B.16, "Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office."*
Invalidated Proxy	*An invalidated proxy shall not be used for the purposes for which it was issued.*
Validation of Proxy	*Pursuant to the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance, and validation, of proxies, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*
Violation of Proxy	*The Company will comply with the Commission's Memorandum Circular N° 5, series of 1996, the Company's By-laws, Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations shall be controlling in determining the proper procedure to be followed in the execution and acceptance, and validation, of proxies, provided that the Company will comply with the minimum required formalities prescribed under Section 58 of the Corporation Code and the applicable provisions of the SRC and its implementing rules and regulations.*

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
At the first Board meeting in the calendar year, management recommends to the Board the schedule of activities leading up to, and including, the annual stockholders meeting, which, under the By-laws, Article III, section 1, is held during May of each year. *Notices to stockholders shall comply with the by-laws of the Company, the Corporation Code and the Securities Regulation Code and its implementing rules and regulations.*	*Notices of the time and place of holding any annual meeting, or any special meeting, of the stockholders, shall be given either by posting the same enclosed in a postage prepaid envelope, addressed to each stockholder of record entitled to vote at the address left by such stockholder with the secretary of the Company, or at his last known post-office address, or by delivering the same to him in person or by messengerial service, at least seven (7) days before the date set for such meeting. Every stockholder shall furnish the*

	Secretary with the address at which notices of meetings and all other corporation notices may be served upon or mailed to him, and if any stockholder shall fail to furnish such address, notices may be served upon him by mail directed to him at his last known post-office address. The notice of every special meeting shall state briefly the objects of the meeting, and no other business shall be transacted at such meeting except by consent of all the stockholders of the Company entitled to vote. No notice of any meeting need be published in any newspaper. Failure to give or any defect or irregularity in giving the notice of the annual meeting shall not affect or invalidate the actions or proceedings at such meeting. The stockholders of the Company entitled to vote, may, by unanimous consent in writing, waive notice of the time, place and purpose of any meeting of stockholders and any action taken at a meeting held pursuant to such waiver shall be valid and binding.

(i) Definitive Information statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and other Materials	481
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by market participants/certain beneficial owners	April 30, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by Stockholders	April 30, 2014
State whether CD format or hard copies were distributed	Yes
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up details with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorship in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	P0.016 per share
Documents required for proxy vote	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

All the foregoing inormation are disclosed.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The Board respects the rights of the stockholders as provided by the Corporation Code and Articles of Incorporation such as rights to (i) vote on all matters that require the stockholders' consent or approval; (ii) inspect corporate books and records; (iii) information; (iv) dividends; and (v) appraisal of the stockholders' shares.	*The Board timely advises the stockholders of the annual stockholders meeting and provides each stockholder with adequate information meaningfully participate in the meeting. The notice and other materials for the stockholders have reminders of the rights of the stockholders.*
As allowed by the Corporation Code, the pre-emplive right of the stockholders has been denied	*The Board timely and duly advises the stockholders when it plans to sell shares of the Corporation to stockholders.*
Transparency and fairness in the conduct of the annual stockholders meetings; encouragement of the stockholders to attend in person; timely notice of right and information on attendance by proxy; no undue restriction on voting by proxy.	*The notice and other materials for the stockholders are internally drafted, revised and reviwed, and then sent to the Commission for commentd before distribution to the stockholders. External counsel is consulted on the schedule and content of materials for the annual stockholders' meeting.*

(b) Do minority stockholders have a right to nominate candidates for board of directors? *Yes*

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Corporation recognizes that the essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

Thus, it is essential that all material information about the Corporation that could adversely affect its viability or the interests of the stockholders be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

The members of the senior management all participate in managing the releationships with investors by contributing to the disclosures to the Exchange and/or the press. The Chairman of the Board of Directors, the President, the Executive Vice President, the Chief Finance Officer, and/or the Manager for Communications and Stakeholder Relations all confer with the Compliance Officers in composing, revising and finalizing the form and content of the information disclosed through the appropriate Exchange mechanisms and submissions to the Commission

	Details
(1) Objectives	*Transparency for all internal workings of the Corporation to prevent mismanagement or misappropriation of assets.*
(2) Principles	*All material information about the Corporation that could adversely affect its viability or the interests of the stockholders are publicly and timely disclosed.*

(3) Modes of Communications	*Upon the occurrence of a material event, management prepares disclosure statements to the PSE and press*
(4) Investors Relations Officer	*The members of the senior management all participate in managing the releationships with investors by contributing to the disclosures to the PSE and press.*

3) **What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?**

The Company conducts a rigorous financial, operational, accounting and legal review – with due diligence – of any company control of which it may acquire either through the capital markets or other systems. This due diligence review would begin by amassing any and all publicly available information about such company, then negotiating and executing a confidentiality or non-disclosure agreement with the owners of the company or the company itself. Under the latter, confidential, non-public and propreitary information is obtained to detemine the consideration, terms and conditions for the acquisiliton. Thereafter, an extensive negotiation takes place on the definitive agreement(s) by which control is obtained.

An identical and no less rigorous exercise in conducted in a merger.

In a sale or disposition of substantial assets, the exercise is the same but the flow of confidential, non-public and propreitary information is reversed, with such information being provided by the Corporation to the acquiring company or companies. The Company also negotiates and then executes a confidentiality or non-disclosure agreement with the potential buyer or buyers in preparation for the negotiations over the consideration, terms and conditions for the disposition. Thereafter, an extensive negotiation takes place on the definitive agreement(s) by which the assets are sold.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

In the event of an acquisiton, merger and/or sale that requires an evaluation of the fairness of the transaction price, the parties usually agree on an internationally-recognized accounting firm to be the evaluator of the fairness of the transaction price, and the consideration, terms and conditions for such an engagement, as well as the sharing of the firm's consideration.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
The Company continues to reach out to its host communities in coordination with the Conrado and Ladislawa Alcantara Foundation, Inc. (CLAFI), a non-stock, non-profit entity overseeing the Corporate Social Responsibility (CSR) functions of the Company and the Alcantara Group	*The communities in Sarangani Province and Zamboanga City in Mindanao where CLAFI establishes an outreach presence benefit from the CSR efforts of the Company, CLAFI, and the Group.*
Direct support through the donation of workbooks; provision of tutoring and mentoring programs, and English review sessions; scholarships for short-term technical-vocational courses, high school and college students; donations of study chairs, computer equipment, and entire school buildings	*Students taking up short-term technical-vocational courses; high school and college students; school districts in need, in cooperation with their respective local government units.*
Reviewing a medical-related CSR project such as an "Adopt a Barangay" program for a public health initiative	*Communities in Sarangani Province and/or Zamboanga City*
Realignment of environment-related CSR projects in ACR's areas of operation; water-related programs in Sarangani, including mangrove reforestation, carbon sequestration, artificial reef installation, watershed protection, and fish restocking in Sarangani Bay.	*Communities along Sarangani Bay in in Sarangani Province*

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/ President.

	Process	Criteria
Board of Directors	*The Board was advised and updated on the self assessment of the annual performance of the Audit Committee as implemented under the Commission's Memorandum Circular N° 4 of 2012. A similar assessment of the Board's annual performance could therefore follow the same pattern as that of the Audit Committee, adjusted to consider the wider powers and responsibilities of the Board.*	*Any self assessment of the annual performance of the Board will likely take into account the wider powers and responsibilities of the Board, the frequency of its meetings, and reiteration or duplication of the assessments of its committees such as the Audit, Executive, Nomination and Compensation Committees.*
Board of Committees	*The self assessment of the annual performance of the Audit Committee as implemented under the Commission's Memorandum Circular N° 4 of 2012. A self assessment or self rating of the annual performance of the Executive, Nomination and Compensation Committees could therefore follow the same pattern as that of the Audit Committee, adjusted to consider the wider powers and responsibilities of the Board.*	*Any self assessment or self rating of the annual performance of the Executive, Nomination and Compensation Committees will likely take into account the divergent powers and responsibilities of these Committees, the frequency of meetings, and the membership of each committee, which may find it necessary to create a charter to be approved by the Board. These charters will be necessary to formulate the criteria against which the committee members can assess or rate themselves.*
Individual Directors	*The draft procedure and schedule for the self assessment or rating of the annual performance of each Director need to be formalized, disseminated and approved by the Board.*	*As set forth in the Company's Revised Manual of Corporate Governance, each Director would assess/rate his/her performance of the following individual duties: (i) fair business transaction with the Company; (ii) Time and attention to duties to the Company; (iii) acting judiciously; (iv) exercising independent judgement; (v) having a working knowledge of the statutory and regulatory requirements affecting the Company; and (vi) observing confidentiality.*
CEO/ President	*The draft procedure and schedule for the self assessment or rating of the annual performance of the CEO/President need to be formalized, disseminated and approved by the CEO/President.*	*As set forth in the Company's Revised Manual of Corporate Governance, the CEO/President would assess/rate his performance of the following individual duties, including, but not limited to, observing the proper checks and balances necessitated by the unification of the positions with a view to getting the benefits of individual vies and perspectives, ensuring that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary; supervising the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of management and the directors; and maintaining qualitative and timely lines of communication and information between the Board and Management.*

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions
Director's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Board of Directors may call the attention of the breaching Director, ask for an explanation and impose the appropriate sanction. The most severe sanction would involve the application of the Corporation Code, section 28.*
Officer's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Board of Directors will call the attention of the breaching Officer, ask him/her to submit an explanation for the breach, and, depending on the Officer's explanation, impose the appropriate sanction, which may include, but shall not be limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevant jurisprudence.*
Employee's breach of the corporate governance manual	*Depending on the severity of the breach, and the materiality of the effects or consequences of the breach, the Company will call the attention of the breaching Employee, ask him/her to submit an explanation for the breach, and, depending on the Employee's explanation, impose the appropriate sanction, which may include, but shall not be limited to, application of the Labor Code, section 282, its implementing rules and regulations, and relevant jurisprudence.*

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati, Metro Manila on APR 06 2015.

SIGNATURES

Tirso G. Santillan, Jr.
Executive Vice-President

Jose Ben R. Laraya
Independent Director

Luis R. Ymson, Jr.
Chief Financial Officer & Compliance Officer

Thomas G. Aquino
Independent Director

SUBSCRIBED AND SWORN to before me this APR 0 8 2015, affiant(s) exhibiting to me competent evidence of their respective identity, as follows:

Name	I.D. Type & No.	Date/Place of Issue
Tirso G. Santillan, Jr.	TIN 134-840-919	Issued by the Bureau of Internal Revenue
Luis R. Ymson, Jr.	TIN 126-818-715	Issued by the Bureau of Internal Revenue
Jose Ben R. Laraya	TIN 137-981-006	Issued by the Bureau of Internal Revenue
Thomas G. Aquino	TIN 121-905-565	Issued by the Bureau of Internal Revenue

Doc. no. 25;
Page no. 6;
Book no. II;
Series of 2015.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34727
MAKATI CITY, PHILIPPINES

Notary Public

ANGEL M. ESGUERRA, III
Commission No. M-290
Notary Public for Makati City
Until December 31, 2015
Roll No. 34734; 05-01-1987
IBP No. 963592; 05-08-1996; Pasay Chapter
PTR No. 4764120/01-09-2015; Makati City
Alsons Bldg., 2296 Chino Roces Avenue, Makati City

Exhibit 1

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
And Years Ended December 31,2014, 2013 and 2012

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

The management of Alsons Consolidated Resources Inc., is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2014 and 2013 , including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

TOMAS I. ALCANTARA
Chairman and President

TIRSO G. SANTILLAN, JR.
Executive Vice-President

LUIS R. YMSON, JR.
Chief Financial Officer

APR 13 2015

SUBSCRIBED AND SWORN to before me this _____of_____affiants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date	Place of Issue
Tomas I. Alcantara	PP#EB8610644	07-09-13	DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	02-12-12	LTO Q.C.
Luis R. Ymson, Jr.	PP#EB1623317	12-29-10	DFA Manila

Doc No. 27
Page No. 7
Book No. 4
Series of 2015

ANGEL M. ESGUERRA, III
Commission No. M-200
Notary Public for Makati City, Until December 31, 2015
PTR OR No. 4760120; 01/09/15; Makati City
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
Roll No. 34787; 06/01/87
Alsons Bldg., 2286 Chino Roces Ave., Makati City

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 18, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
2286 Don Chino Roces Ave. Extension,
Makati City

We have audited the accompanying consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and 2013, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SGV
Building a better working world

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alsons Consolidated Resources, Inc. and Subsidiaries as at December 31, 2014 and 2013, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Martin C. Guantes
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-2 (Group A),
March 15, 2012, valid until April 30, 2015
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 4751287, January 5, 2015, Makati City

March 27, 2015

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2014	2013 (Note 16)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 32 and 33)	₱2,512,383,375	₱1,422,362,785
Short-term cash investments (Notes 7, 32 and 33)	34,444,998	8,802,310
Trade and other receivables (Notes 8, 20, 32 and 33)	4,008,142,109	4,319,949,469
Spare parts and supplies - at cost (Note 9)	241,564,024	204,349,009
Real estate inventories (Note 10)	642,340,836	649,416,295
Prepaid expenses and other current assets (Note 15)	326,665,057	236,228,525
Total Current Assets	7,765,540,399	6,841,108,393
Noncurrent Assets		
Noncurrent portion of installment receivables (Notes 8, 32 and 33)	7,843,712	9,756,899
Investments in real estate (Notes 10 and 18)	1,527,215,497	1,477,259,866
Investments in associates (Note 11)	1,218,315,960	1,219,595,317
Property, plant and equipment (Notes 12, 18 and 19)	13,410,542,642	6,673,763,949
Available-for-sale (AFS) financial assets (Notes 13 and 33)	117,040,963	55,862,692
Goodwill (Note 14)	1,001,896,049	994,928,342
Net retirement assets (Note 28)	45,200,561	49,965,852
Deferred tax assets - net (Note 29)	30,268,777	42,315,885
Other noncurrent assets (Note 15)	601,428,826	624,572,058
Total Noncurrent Assets	17,959,752,987	11,148,020,860
TOTAL ASSETS	₱25,725,293,386	₱17,989,129,253
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 16, 32 and 33)	₱1,464,218,604	₱980,021,607
Loans payable (Notes 17, 32 and 33)	259,999,978	794,366,639
Income tax payable (Note 29)	120,268,492	100,872,098
Current portion of long-term debt (Notes 18, 32 and 33)	590,427,513	454,022,139
Derivative liability (Notes 18 and 33)	27,595,736	37,923,780
Total Current Liabilities	2,462,510,323	2,367,206,263
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 18, 32 and 33)	12,348,264,305	4,736,472,902
Deferred tax liabilities - net (Note 29)	431,506,243	425,715,041
Retirement liabilities (Note 28)	7,472,680	9,488,962
Asset retirement obligation (Notes 12 and 19)	67,169,574	78,801,367
Total Noncurrent Liabilities	12,854,412,802	5,250,478,272
Total Liabilities	15,316,923,125	7,617,684,535

(Forward)

	December 31	
	2014	2013 (Note 16)
Equity (Note 21)		
Capital stock	₱6,313,683,333	₱6,309,283,333
Other equity reserves	1,613,004,480	1,750,828,447
Retained earnings:		
Unappropriated (Note 16)	489,928,413	1,084,786,946
Appropriated	1,700,000,000	850,000,000
Attributable to equity holders of the parent	10,116,616,226	9,994,898,726
Non-controlling interests	291,754,035	376,545,992
Total Equity	10,408,370,261	10,371,444,718
TOTAL LIABILITIES AND EQUITY	₱25,725,293,386	₱17,989,129,253

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2014	2013 (Note 16)	2012
SALES OF SERVICES:			
Energy fees (Notes 16 and 34)	₱5,134,628,826	₱3,289,130,401	₱2,068,686,056
Management fees (Note 34)	24,825,460	27,063,025	32,019,719
Rental income (Note 31)	8,643,774	9,827,272	11,229,171
	5,168,098,060	3,326,020,698	2,111,934,946
REAL ESTATE SALES (Note 34)	11,973,028	17,515,916	30,521,191
TOTAL REVENUE	5,180,071,088	3,343,536,614	2,142,456,137
COSTS AND EXPENSES			
Cost of services (Note 22)	(3,536,933,374)	(1,978,477,036)	(875,278,689)
Cost of real estate sold (Note 10)	(11,396,417)	(19,506,240)	(44,837,635)
General and administrative expenses (Note 23)	(467,312,254)	(362,875,246)	(373,440,679)
OTHER INCOME (CHARGES)			
Finance charges (Note 26)	(206,568,748)	(119,372,797)	(84,290,660)
Interest income (Note 7)	22,224,257	25,186,522	46,443,117
Other income (charges) - net (Note 27)	109,302,563	(48,981,949)	423,544,149
	(4,090,683,973)	(2,504,026,746)	(907,860,397)
INCOME BEFORE INCOME TAX	1,089,387,115	839,509,868	1,234,595,740
PROVISION FOR INCOME TAX (Notes 16 and 29)			
Current	345,191,757	294,235,703	232,099,888
Deferred	17,052,091	(24,011,649)	9,054,613
	362,243,848	270,224,054	241,154,501
NET INCOME FROM CONTINUING OPERATIONS	727,143,267	569,285,814	993,441,239
NET INCOME FROM DISCONTINUED OPERATIONS (Note 30)	–	196,295,608	85,428,052
NET INCOME	₱727,143,267	₱765,581,422	₱1,078,869,291
Attributable to:			
Equity holders of the parent			
Net income from continuing operations	₱359,040,865	₱248,925,802	₱457,918,762
Net income from discontinued operations	–	146,348,389	51,197,032
	359,040,865	395,274,191	509,115,794
Non-controlling interests			
Net income from continuing operations	368,102,402	320,360,012	535,522,477
Net income from discontinued operations	–	49,947,219	34,231,020
	368,102,402	370,307,231	569,753,497
	₱727,143,267	₱765,581,422	₱1,078,869,291
Basic/diluted earnings per share attributable to equity holders of the parent (Note 21)	₱0.057	₱0.063	₱0.081

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013 (Note 16)	2012
NET INCOME	**₱727,143,267**	**₱765,581,422**	**₱1,078,869,291**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial gains (losses) (Note 28)	23,034,830	(1,994,575)	(12,151,615)
Limit on retirement asset (Note 28)	(16,238,612)	(7,547,368)	(4,978,395)
Tax effect (Note 29)	(448,297)	1,380,343	704,767
	6,347,921	(8,161,600)	(16,425,243)
Items that may be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on fair valuation of AFS financial assets (Note 13)	(86,998,124)	(6,741,009)	18,019,708
Translation adjustments	(54,755,323)	213,527,769	(266,651,873)
	(141,753,447)	206,786,760	(248,632,165)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(135,405,526)	198,625,160	(265,057,408)
TOTAL COMPREHENSIVE INCOME	**₱591,737,741**	**₱964,206,582**	**₱813,811,883**
Attributable to:			
Equity holders of the parent:			
Total comprehensive income from continuing operations	₱222,381,502	₱413,877,467	₱310,293,431
Total comprehensive income from discontinued operations	–	143,027,095	47,349,334
	222,381,502	556,904,562	357,642,765
Non-controlling interests			
Total comprehensive income from continuing operations	369,356,239	359,575,463	424,510,720
Total comprehensive income from discontinued operations	–	47,726,557	31,658,398
	369,356,239	407,302,020	456,169,118
	₱591,737,741	₱964,206,582	₱813,811,883

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Attributable to Equity Holders of the Parent									
	Other Equity Reserves						Retained Earnings (Notes 16 and 21)			
	Capital Stock (Note 21)	Remeasurement Gains (Losses) On Defined Benefit Plan (Notes 21 and 29)	Unrealized Gains (Losses) on AFS Financial Assets (Notes 13 and 21)	Cumulative Translation Adjustments	Equity Reserves - Acquisition of Non-controlling Interest (Note 21)	Total	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non-controlling Interests (Note 1)	Total
BALANCES AS AT DECEMBER 31, 2011	₱6,291,500,000	₱4,941,568	₱17,475,890	₱1,254,366,617	₱–	₱1,276,784,085	₱1,207,574,548	₱–	₱8,775,858,633	₱3,142,714,430	₱11,918,573,063
Net income	–	–	–	–	–	–	509,115,794	–	509,115,794	569,753,497	1,078,869,291
Other comprehensive income (loss)	–	(8,757,849)	18,019,708	(160,734,888)	–	(151,473,029)	–	–	(151,473,029)	(113,584,379)	(265,057,408)
Total comprehensive income (loss)	–	(8,757,849)	18,019,708	(160,734,888)	–	(151,473,029)	509,115,794	–	357,642,765	456,169,118	813,811,883
Redemption of preferred shares	–	–	–	–	–	–	–	–	–	(1,302,514,545)	(1,302,514,545)
Capital contribution	–	–	–	–	–	–	–	–	–	354,583,400	354,583,400
Appropriation of retained earnings	–	–	–	–	–	–	(850,000,000)	850,000,000	–	–	–
Dividends declaration	–	–	–	–	–	–	(62,915,000)	–	(62,915,000)	(716,451,988)	(779,366,988)
BALANCES AS AT DECEMBER 31, 2012	6,291,500,000	(3,816,281)	35,495,598	1,093,631,729	–	1,125,311,046	803,775,342	850,000,000	9,870,586,398	2,134,500,415	12,005,086,813
Net income, as previously reported	–	–	–	–	–	–	466,872,876	–	466,872,876	370,307,231	837,180,107
Prior period adjustment (Note 16)	–	–	–	–	–	–	(71,598,685)	–	(71,598,685)	–	(71,598,685)
Net income, as restated	–	–	–	–	–	–	395,274,191	–	395,274,191	370,307,231	765,581,422
Other comprehensive income (loss)	–	5,374,648	(6,741,009)	172,561,983	–	171,195,622	(9,565,251)	–	161,630,371	36,994,789	198,625,160
Total comprehensive income (loss)	–	5,374,648	(6,741,009)	172,561,983	–	171,195,622	385,708,940	–	556,904,562	407,302,020	964,206,582
Issuance of preferred shares	55,000,000	–	–	–	–	–	–	–	55,000,000	–	55,000,000
Subscriptions receivable	(37,216,667)	–	–	–	–	–	–	–	(37,216,667)	–	(37,216,667)
Redemption of preferred shares (Note 1)	–	–	–	–	–	–	–	–	–	(119,115,819)	(119,115,819)
Acquisition of non-controlling interest (Note 21)	–	–	–	308,841,072	145,480,697	454,321,769	–	–	454,321,769	(982,232,166)	(527,910,397)
Disposal of a subsidiary (Note 30)	–	–	–	–	–	–	–	–	–	(468,984,103)	(468,984,103)
Dividends declaration (Note 21)	–	–	–	–	–	–	(104,697,336)	–	(104,697,336)	(594,924,355)	(699,621,691)
BALANCES AS AT DECEMBER 31, 2013	6,309,283,333	1,558,367	28,754,589	1,575,034,794	145,480,697	1,750,828,447	1,084,786,946	850,000,000	9,994,898,726	376,545,992	10,371,444,718
Net income	–	–	–	–	–	–	359,040,865	–	359,040,865	368,102,402	727,143,267
Other comprehensive income (loss)	–	3,929,480	(36,998,124)	(54,755,323)	–	(137,823,967)	1,164,602	–	(136,659,365)	1,253,839	(135,405,526)
Total comprehensive income (loss)	–	3,929,480	(36,998,124)	(54,755,323)	–	(137,823,967)	360,205,467	–	222,381,500	369,356,241	591,737,741
Collection of subscriptions receivable	4,400,000	–	–	–	–	–	–	–	4,400,000	–	4,400,000
Redemption of preferred shares (Note 1)	–	–	–	–	–	–	–	–	–	(72,469,702)	(72,469,702)
Appropriation of retained earnings	–	–	–	–	–	–	(850,000,000)	850,000,000	–	–	–
Dividends declaration (Note 21)	–	–	–	–	–	–	(105,064,000)	–	(105,064,000)	(381,678,496)	(486,742,496)
BALANCES AS AT DECEMBER 31, 2014	₱6,313,683,333	₱5,487,847	(₱53,243,535)	₱1,520,279,471	₱145,480,697	₱1,613,004,480	₱489,928,413	₱1,700,000,000	₱10,116,616,226	₱291,754,835	₱10,408,370,261

See accompanying Notes to Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013 (Note 16)	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax from:			
Continuing operation	₱1,089,387,115	₱839,509,868	₱1,234,595,740
Discontinued operations (Note 30)	–	206,465,528	101,188,404
Adjustments for:			
Depletion, depreciation and amortization (Note 25)	814,375,986	706,131,285	622,842,832
Finance charges (Notes 26 and 30)	206,568,748	121,904,845	84,873,519
Unrealized foreign exchange loss (gain) (Note 27)	(41,876,979)	83,993,180	(8,619,819)
Interest income (Notes 7 and 30)	(22,224,257)	(27,041,508)	(49,715,083)
Income from decrease in asset retirement obligation	(11,315,962)	–	–
Mark-to-market loss (gain) on derivative liability (Notes 27 and 33)	(10,328,044)	16,377,924	11,632,044
Movement in net retirement assets and retirement liabilities (Notes 24 and 28)	9,096,929	12,370,178	5,699,612
Recovery of impairment loss on real estate inventories due to sale (Note 10)	(3,946,795)	(4,140,694)	(17,108,236)
Equity in net losses of associates (Notes 11 and 27)	1,279,357	100,920,763	22,850,988
Loss (gain) on sale of property, plant and equipment (Note 28)	360,839	(356,577)	(1,023,156)
Gain on sale of a subsidiary (Note 30)	–	(71,645,698)	–
Operating lease income based on straight-line amortization of deferred lease	–	(1,574,019)	(1,567,108)
Provisions for impairment of:			
Deferred project cost (Notes 15 and 24)	–	2,849,457	2,849,457
Trade and other receivables (Notes 8 and 24)	–	–	20,000,000
Short-term cash investments (Notes 7 and 24)	–	–	3,968,330
Reversal of impairment loss on real estate inventories (Notes 10 and 27)	–	–	(72,066,280)
Reversal of provisions for liquidation expenses (Notes 1 and 27)	–	–	(956,400)
Operating income before working capital changes	2,031,376,937	1,985,764,532	1,959,444,844
Decrease (increase) in:			
Trade and other receivables	(97,390,460)	(207,900,503)	40,574,852
Real estate inventories	11,022,254	26,815,575	40,610,481
Spare parts and supplies	(37,215,015)	(79,405,302)	12,138,514
Prepaid expenses and other current assets	(90,436,532)	(6,847,721)	(114,291,455)
Increase in accounts payable and other current liabilities	484,196,996	640,559,365	43,794,292
Cash flows generated from operations	2,301,554,180	2,358,985,946	1,982,271,528
Income taxes paid (Note 29)	(325,009,142)	(269,250,511)	(242,107,451)
Retirement contributions (Note 28)	–	–	(457,519)
Net cash flows from operating activities	1,976,545,038	2,089,735,435	1,740,164,077

(Forward)

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 12)	(₱6,645,372,242)	(₱4,398,985,589)	(₱449,681,050)
Computer software (Note 15)	(16,159,235)	(3,701,167)	(14,688,552)
Investments in associates	–	(4,983,000)	–
Collections (granting) of advances from (to) related parties	263,323,852	(1,209,787,525)	(43,551,124)
Decrease (increase) in:			
Short-term cash investments	(25,642,688)	1,049,459,622	(307,791,146)
Other noncurrent assets	(117,632,268)	(97,953,061)	(275,115,177)
Disposal of (additions to) investments in real estate	(50,472,122)	(90,561,841)	23,128,693
Interest received	21,835,016	28,169,308	61,320,352
Proceeds from disposals of:			
Property, plant and equipment	345,967	2,480,760	2,771,926
Subsidiary, net of cash and cash equivalents acquired (Note 30)	–	952,034,210	–
AFS financial assets	–	1,790,769	–
Associate	–	–	24,546,021
Net cash flows used in investing activities	(6,569,773,720)	(3,772,037,514)	(979,060,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans and debt (Notes 17 and 18)	9,690,478,476	4,871,169,729	1,010,617,028
Payments of:			
Debt (Note 18)	(1,469,750,572)	(555,566,654)	(283,920,990)
Interest (Note 18)	(1,036,837,352)	(71,348,834)	(46,884,571)
Loans (Note 17)	(794,366,639)	–	(10,156,855)
Dividends (Note 21)	(486,742,496)	(695,588,358)	(779,366,988)
Transaction costs (Note 18)	(142,039,630)	(88,718,073)	(84,306,743)
Cash outflow from redemption of redeemable preferred shares (Note 1)	(72,469,702)	(119,115,819)	(1,102,514,545)
Proceeds from issuance of preferred shares (Note 20)	4,400,000	13,750,000	–
Acquisition of noncontrolling interest (Note 1)	–	(527,910,397)	–
Capital contribution from noncontrolling interest (Note 1)	–	–	354,583,400
Net cash flows provided by (used in) financing activities	5,692,672,085	2,826,671,594	(941,950,264)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,099,443,403	1,144,369,515	(180,846,244)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(9,422,813)	556,394	5,105,995
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 7)	1,422,362,785	277,436,876	453,177,125
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	P2,512,383,375	P1,422,362,785	P277,436,876

See accompanying Notes to Consolidated Financial Statements..

1. General Information

Corporate Information
Alsons Consolidated Resources, Inc. (ACR or Parent Company) is a stock corporation organized on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company's ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

The registered office address of ACR is 2286 Don Chino Roces Ave. Extension, Makati City.

The consolidated financial statements include the accounts of ACR and the subsidiaries (collectively referred to as "the Group") listed in the table below:

		Percentage of Ownership			
		2014		2013	
Subsidiaries	Nature of business	Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	–	100.00	–
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	–	55.00	–	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	–	55.00	–	55.00
Alto Power Management Corporation (APMC)	Management services	–	60.00	–	60.00
APMC International Limited (AIL)	Management services	–	100.00	–	100.00
Mapalad Power Corporation (MPC)	Power generation	–	100.00	–	100.00
Sarangani Energy Corporation (Sarangani)	Power generation	75.00	–	75.00	–
Siguil Hydro Power Corporation (Siguil)	Power generation	100.00	–	100.00	–
Kalaong Power Corporation (Kalaong)	Power generation	100.00	–	100.00	–
San Ramon Power, Inc. (SRPI)	Power generation	100.00	–	100.00	–
Alsons Renewable Energy Corporation (AREC)	Investment holding	100.00	–	–	–
Alsons Power International Limited (APIL)	Power generation	100.00	–	100.00	–
Alsons Land Corporation (ALC)	Real estate	99.55	–	99.55	–
ACR Mining Corporation (ACRMC)	Exploration and mining	100.00	–	100.00	–
MADE (Markets Developers), Inc.	Distribution	80.44	–	80.44	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Agro-industrial economic zone	100.00	–	100.00	–
ACES Technical Services Corporation (ACES)	Management services	100.00	–	100.00	–

SPPC and WMPC are independent power producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC) (see Note 34a).

Except for AIL and APIL, which are incorporated in the British Virgin Islands (BVI), all of the subsidiaries are incorporated in the Philippines.

Power and Energy

CHC and Subsidiaries. In July 2014, CHC and SPPC redeemed preferred shares of 178,462 and 483,875, respectively, for a total consideration of ₱232 million ($5.2 million). In February and June 2013, CHC redeemed preferred shares of 319,675 for a total consideration of ₱121 million ($2.86 million). In May 2013, SPPC redeemed preferred shares of 483,874 for a total consideration of ₱157 million ($3.63 million). The redeemed preferred shares were retired and are not available for re-issue. The share of the non-controlling interest in the redemption is shown below:

	2014		
	Number of Shares	Total Amount	Share of Non-controlling Interests
CHC	178,462	₱70,858,798	₱-
SPPC	483,875	161,042,877	72,469,702
		₱231,901,675	₱72,469,702

	2013		
	Number of Shares	Total Amount	Share of Non-controlling Interests
CHC	319,675	₱120,638,388	₱48,240,147
SPPC	483,874	157,501,313	70,875,672
		₱278,139,701	₱119,115,819

The Board of Directors (BOD) of Northern Mindanao Power Corporation (NMPC), a subsidiary under CHC, approved on April 25, 2008 the amendments to NMPC's Articles of Incorporation to shorten its corporate life up to November 15, 2009. After November 15, 2009, NMPC is deemed dissolved. Consequently, NMPC's remaining assets and liabilities have all been transferred to CHC's books as at December 31, 2009. CHC is responsible for the final liquidation of NMPC's net assets and the payment to the non-controlling shareholders.

CHC recognized a loss of ₱0.5 million in 2012 on remeasurement of payable to non-controlling shareholders as a result of the reversal of provisions for liquidation expenses. The loss was presented net of the gain on reversal of provisions for liquidation expenses in the 2012 consolidated statement of income amounting to ₱1 million (see Note 27). The net distributable assets of NMPC at the end of the three-year liquidation period on November 15, 2012 amounted to ₱81 million. In 2013, CHC has fully liquidated the net distributable assets of NMPC and paid the non-controlling shareholders.

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in voting shares of CHC, increasing its ownership to 100% (see Note 21).

CHC organized and incorporated MPC on July 13, 2010 as a wholly owned subsidiary to rehabilitate and operate the 103 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II located in Iligan City. On June 27, 2011, ACR acquired full control of MPC through an agreement with CHC, wherein CHC assigned all shares to ACR. The deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. On August 1, 2013, ACR transferred

MPC to CHC for a total consideration of ₱0.3 million ($7,781). MPC entered into Power Supply Agreements (PSAs) with various distribution utilities and electric cooperatives (see Note 34c). On September 6, 2013, MPC started operating 98 MW of the 103 MW Bunker-Fired IDPPs. MPC expects to complete the rehabilitation and operate the balance of 5 MW by end of the first quarter of 2014.

Sarangani. CHC organized Sarangani on October 15, 2010 as a wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. Sarangani's power-generating project "SM 200" is a coal-fired power plant project with a 210 mega-watts (MW) capacity. SM200 is embedded within the franchised area of South Cotabato II Electric Cooperative, Inc. (SOCOTECO II). The total project cost is ₱13 billion of which ₱4 billion is in the form of equity and ₱9 billion through a syndicated term loan from local banks. In 2009, the Department of Energy and the Department of Environment and Natural Resources approved the Environmental Compliance Certificate (ECC) application for SM200. The construction of SM 200 will be in two phases. Construction of Phase 1 (105 MW) commenced in 2012 and is expected to be completed in 2015 (see Note 12). Phase 2 (105MW) will follow a year after Phase 1. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all shares to ACR. On December 10, 2012, ACR entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC agreed to subscribe and paid ₱355 million worth of Sarangani shares, representing 25% of the total equity of Sarangani. On the same date, ACR entered into a Development Fee Agreement with TTC, wherein TTC agreed to pay ACR a development fee amounting to $5.75 million or ₱236 million, representing compensation to ACR as sole project proponent for the time, risk, and resources in developing Sarangani project The development fee received by ACR was recorded as part of "Other income (charges)" in the 2012 consolidated statement of income (see Note 27).

Sarangani has obtained a ₱9 billion project financing facility from a syndicate of domestic banks on December 12, 2012 to finance the construction of Phase 1 project (see Note 18). The notice to proceed to commence the relevant sub-contract works in accordance with the Engineering Procurement Construction (EPC) Contract was issued to Daelim Industrials, Inc. of Korea on December 28, 2012. Commercial operation is expected to commence in September 2015. As of December 31, 2014, the total project cost of the power plant is now estimated at ₱14 billion.

Siguil and Kalaong. The Parent Company organized and incorporated Siguil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 17MW Hydro Power Project is in Maasim Sarangani while Kalaong's 40MW Hydro Power Project is in Bago Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed. As at March 27, 2015, Siguil and Kalaong have not started commercial operations.

SRPI. The Parent Company organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its ECC on March 20, 2012 for the planned 105MW coal fired power plant to be located in Zamboanga Ecozone. SRPI expected construction of the power plant that was previously forecasted to commence in the later part of 2013 has been deferred at later time. Daelim Industrial, Inc. of Korea is also its EPC contractor. The total project cost is estimated at ₱13 billion. As at March 27, 2015, SRPI is still in the process of negotiation with various banks to finance the project.

AREC. On September 18, 2014, the Parent Company organized AREC primarily to develop and invest in energy projects with total capital infusion amounting to ₱31 million.

Property Development

ALC. On November 25, 1994, the Parent Company incorporated ALC to acquire, develop, sell and hold for investment or otherwise, real estate of all kinds, sublease office spaces and manufacture door and house frames.

KAED. On September 3, 2010, the Parent Company incorporated KAED to establish, develop, operate and maintain an agro-industrial economic zone and provide the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, waste management system, pollution control device, communication facilities and other facilities as may be required for an agro-industrial economic zone. As at March 27, 2015, KAED has not started commercial operations.

Other Investments

ACRMC. In 2007, the Parent Company infused capital in ACRMC amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), stockholder of Parent Company, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the provinces of Davao del Norte and Compostela Valley (see Note 15). On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau. As at March 27, 2015, ACRMC has not yet started commercial operations.

MADE. MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and significantly reduced its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at March 27, 2015, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACES. The Parent Company organized and incorporated ACES on July 7, 2011 with primary purpose as the operations and maintenance contractor of the coal power plant (see Note 34). As at March 27, 2015, ACES has not started commercial operations.

Approval and Authorization of the Issuance of the Consolidated Financial Statements

The consolidated financial statements upon recommendation for approval by the Audit Committee on March 12, 2015, were authorized for issue by the BOD on March 27, 2015.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Group, except for CHC and subsidiaries whose functional currency is the U.S. dollar.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated balance sheet at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) as issued by the Financial Reporting Standards Council (FRSC). PFRS includes statements named PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by FRSC.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 of each year (see Note 1).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

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

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as those of the Parent Company.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the portion of profits or losses and net assets of subsidiaries not held by the equity holders of the Parent Company and are presented separately in the consolidated statement of income and comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to the equity holders of the Parent Company.

Material Partly-Owned Subsidiaries

The tables below show details of materially partly-owned subsidiaries of ACR through CHC or directly owned entity:

Name of Subsidiary	Place of Incorporation and Operation	Principal Activity	Proportion Ownership Interest and Voting Rights Held by Non-controlling Interests		
			2014	2013	2012
SPPC	Philippines	Power generation	45%	45%	45%
WMPC	Philippines	Power generation	45%	45%	45%
Saranggani	Philippines	Power generation	25%	–*	–*

**Not yet considered as material partly-owned subsidiary in 2013 and 2012 since there were no significant construction developments yet*

The summarized financial information in respect of the subsidiaries that have material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-group eliminations.

Summarized balance sheets as at December 31, 2014 and 2013 are as follows:

	December 31				
	2014			2013	
	SPPC	WMPC	Saranggani	SPPC	WMPC
			(In Thousands)		
Current assets	₱422,425	₱993,052	₱1,457,842	₱521,863	₱903,394
Noncurrent assets	369,432	482,484	11,158,550	586,547	833,205
Current liabilities	160,232	351,902	572,040	186,459	363,018
Noncurrent liabilities	112,247	59,209	8,392,884	213,940	300,421
Equity	₱519,378	₱1,064,425	₱3,651,468	₱708,011	₱1,073,160
Equity attributable to:					
Equity holders of the parent	₱284,598	₱573,981	₱2,738,601	₱388,412	₱579,000
Non-controlling interests	234,780	490,444	912,867	319,600	494,294
	₱519,378	₱1,064,425	₱3,651,468	₱708,011	₱1,073,160

Summarized statements of income for each of the three years in the period ended December 31, 2014 are as follows:

	2014			2013		2012	
	SPPC	WMPC	Saranggani	SPPC	WMPC	SPPC	WMPC
			(In Thousands)				
Revenue	₱745,196	₱1,445,099	₱13,877	₱714,345	₱1,381,296	₱716,767	₱1,386,144
Expenses	(400,708)	(634,861)	(19,481)	(427,309)	(635,044)	(401,930)	(607,246)
Provision for income tax	(80,552)	(185,770)	–	(75,779)	(182,405)	(67,960)	(164,683)
Net income (loss)	263,936	624,468	(5,604)	211,257	563,847	246,877	614,215
Other comprehensive income (loss)	300	1,490	–	(721)	(509)	(3,295)	(4,688)
Total comprehensive income (loss)	₱264,236	₱625,958	(₱5,604)	₱210,536	₱563,338	₱243,582	₱609,527
Total comprehensive income (loss) attributable to:							
Equity holders of the parent	₱145,330	₱344,277	(₱4,203)	₱115,790	₱309,821	₱133,977	₱335,238
Non-controlling interests	118,906	281,681	(1,401)	94,746	253,517	109,606	274,289
	₱264,236	₱625,958	(₱5,604)	₱210,536	₱563,338	₱243,583	₱609,527

Summarized statements of cash flows for each of the three years in the period ended December 31, 2014:

	2014			2013		2012	
	SPPC	WMPC	Saranggani	SPPC	WMPC	SPPC	WMPC
			(In Thousands)				
Operating	₱554,147	₱1,025,743	(₱47,124)	₱499,799	₱1,115,025	₱488,606	₱970,227
Investing	(8,918)	(350,963)	(7,016,723)	69,079	116,137	(35,986)	147,395
Financing	(522,776)	(824,547)	7,904,667	(528,079)	(965,325)	(497,766)	(1,283,052)
Net increase (decrease) in cash and cash equivalents	₱22,453	(₱149,789)	₱840,820	₱40,799	₱265,837	(₱45,146)	(₱165,430)
Dividends paid to non-controlling interests	₱120,744	₱261,612	₱–	₱119,867	₱319,644	₱110,916	₱369,720

3. Changes in Accounting Policies and Disclosures

New Standards and Interpretations Issued and Effective as at January 1, 2014

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2014.

The nature and impact of each new standard and amendment is described below:

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)
  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief. These amendments have no impact to the Group, since none of the entities within the Group qualifies to be an investment entity under PFRS 10.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments have no impact on the Group.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not entered into hedging arrangements during the current or prior periods.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
  These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The application of these amendments has no material impact on the disclosure in the Group's consolidated financial statements.

- Philippine Interpretation IFRIC 21, *Levies* (IFRIC 21)
  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, consistent with the requirements of IFRIC 21 in prior years.

- Annual Improvements to PFRSs (2010-2012 cycle)
  In the 2010 - 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, *Fair Value Measurement*. The amendment to PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Group.

- Annual Improvements to PFRSs (2011-2013 cycle)
  In the 2011 – 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards–First-time Adoption of PFRS*. The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Group as it is not a first time PFRS adopter.

Standards Issued but not yet Effective

Standards issued and effective after December 31, 2014 are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have a significant impact on its consolidated financial statements.

- PFRS 9, *Financial Instruments - Classification and Measurement* (2010 version). PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

  PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Philippine Board of Accountancy (BOA).

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the IASB and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have significant impact on the consolidated financial statements of the Group.

The following new standards and amendments issued by the International Accounting Standards Board (IASB) were already adopted by the FRSC but are still for approval of the BOA:

Effective in 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments) PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is

permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group since contribution to the individual plans only comes from the each entity in the Group.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group's consolidated financial statements.

- PFRS 2, *Share-based Payment - Definition of Vesting Condition.* This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including: a performance condition must contain a service condition; a performance target must be met while the counterparty is rendering service; a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; a performance condition may be a market or non-market condition. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination.* The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement* (or PFRS 9, *Financial Instruments*, if early adopted). The Group shall consider this amendment for future business combinations.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets.* The amendments are applied retrospectively and clarify that: an entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization.* The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, *Related Party Disclosures - Key Management Personnel.* The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group's consolidated financial statements. They include:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*. The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3: Joint arrangements, not just joint ventures, are outside the scope of PFRS 3. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*. The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39 (or PFRS 9, as applicable).

- PAS 40, *Investment Property*. The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective in 2016

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments). The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments). The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group's consolidated financial statements.

- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures* - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016. These amendments are not expected to have any impact on the Group's consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments). The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PFRS 14, *Regulatory Deferral Accounts.* PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*. The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*. PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*. This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*. This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report"*. The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective in 2018

- PFRS 9, *Financial Instruments - Hedge Accounting* and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version). PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk

components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements.

- PFRS 9, *Financial Instruments* (2014 or final version). In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 is not expected to have a significant impact on the Group's consolidated financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2014 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in consolidated balance sheet based on current or noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement
The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. Also, fair values of financial and non-financial instruments are disclosed in Note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Cash and Cash Equivalents
Cash include cash on hand and in banks. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and are subject to an insignificant risk of change in value.

Short-term Cash Investments
Short-term cash investments are short-term, highly liquid investments that are convertible to known amounts of cash with original maturities of more than three months but less than one year from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition
The Group recognizes a financial asset in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. Derivatives are recognized on a trade date basis.

Initial recognition of financial instrument
Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at fair value through profit or loss (FVPL), the initial measurement of financial instruments includes transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

"Day 1" difference
Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Categories of Financial Instruments
The Group classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Group has no HTM investments as at December 31, 2014 and 2013.

Financial assets and liabilities at FVPL
Financial assets and liabilities at FVPL include financial assets and liabilities held for trading and financial assets designated upon initial recognition as at FVPL and derivative instruments.

Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments or a financial guarantee contract.

Financial assets and liabilities may be designated by management at initial recognition as at FVPL when any of the following criteria is met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Included in this category is the Group's derivative liability.

Loans and receivables
Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Gains and losses are recognized in the consolidated statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Included in this category are the Group's cash and cash equivalents, short-term cash investments, trade and other receivables, and refundable deposits (included as part of "Other noncurrent assets" account).

AFS financial assets
AFS financial assets are nonderivative financial assets that are designated as such or are not classified as financial assets at FVPL, HTM investments or loans and receivables. These are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the consolidated statement of comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss is recognized in the consolidated statement of income.

When the AFS financial asset is disposed of, the cumulative unrealized gain or loss previously recognized in equity is recognized as "Realized gain (loss) on AFS financial assets" in the consolidated statement of income. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in first-out basis. Dividends earned on holding AFS financial assets are recognized in the consolidated statement of income as "Dividend income" when the right to the payment has been established. The losses arising from impairment of such investments are recognized as "Impairment loss on AFS financial assets" in the consolidated statement of income.

Included in this category are the Group's investments in quoted equity securities.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or designated as FVPL upon inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

These include liabilities arising from operations (e.g., accounts payable and accrued liabilities, excluding withholding taxes and other taxes payable to government agencies) and loans and borrowings. All loans and borrowings are initially recognized at fair value less debt issue costs associated with the borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and debt issue costs that are an integral part of the effective interest rate method. Gains and losses are recognized in consolidated statement of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are shown as a contra account against long-term debt and are amortized over the terms of the related borrowings using the effective interest rate method.

The portion of the debt issue costs attributable to the undrawn portion is deferred and is being amortized over the commitment period on a straight-line basis. However, if it is probable at inception that the facility will be utilized, the debt issue cost will be amortized over the term of the related borrowings using the effective interest rate method. Debt issue costs pertaining to current portion of the long-term debt are classified as current liabilities; otherwise, these are classified as noncurrent liabilities.

These include liabilities arising from operations or borrowings. The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any related premium, discount and any directly attributable transaction costs. Any effects of restatement of foreign currency-denominated liabilities, if any, are recognized in the consolidated statement of income.

Included in this category are the Group's accounts payable and other current liabilities, loans payable, long-term debt and customers' deposits.

Derivative Financial Instruments
A derivative is a financial instrument or other contract with all three of the following characteristics:

a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract (sometimes called the "underlying");
b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and,
c. it is settled at a future date.

Derivative instruments (including bifurcated embedded derivatives) are initially recognized at fair value on the date in which a derivative transaction in entered into or bifurcated, and are subsequently re-measured at fair value. Changes in fair value of derivative instruments not accounted for as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Embedded derivatives
The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid or combined instrument is not measured at fair value with changes in fair value reported in the consolidated statement of income. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded, the host contract or both have changed and whether the change is significant relative to the previously expected cash flows on the contract.

The Group has embedded derivative arising from its long-term debt which are required to be bifurcated.

Classification of Financial Instruments Between Debt and Equity
A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

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

- the Group's right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the consolidated statement of income. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is presented as "Gain on recovery of bad debts" under other income (charges) in the consolidated statement of income.

AFS financial assets
In the case of equity investments classified as AFS, impairment would include a significant or prolonged decline in the fair value of the investments below its cost. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment loss, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income - is removed from OCI and recognized in profit or loss. Impairment losses on equity investments are not reversed in the consolidated statement of income. Increases in their fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the consolidated balance sheet.

Spare Parts and Supplies
Spare parts and supplies are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the current replacement cost.

When the circumstances that previously caused the spare parts and supplies to be written down below cost no longer exist, or when there is clear evidences of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed. The reversal cannot be greater than the amount of the original write-down.

Real Estate Inventories
Real estate inventories representing real estate opened up for sale are carried at the lower of cost and net realizable value (NRV). The cost includes acquisition cost of the land, direct development cost incurred, including borrowing costs and any other directly attributable costs of bringing the assets to its intended use. NRV is the estimated selling price in the ordinary course of business, less estimated cost to sell. A write-down of inventories is recognized in profit or loss when the cost of the real estate inventories exceeds its NRV.

Investments in Real Estate
Investments in real estate comprise land, building and improvements which are not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. Cost includes acquisition cost of the land and any other directly attributable costs of bringing the asset to its intended use.

Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and impairment loss. Land is carried at cost less any impairment in value.

Building and improvements are depreciated using the straight-line method over estimated useful life of five years to 15 years.

Investments in real estate are derecognized when either these have been disposed of or when the investment in real estate is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment in real estate are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investments in real estate when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investments in real estate when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investments in real estate at the date of change in use.

Investments in Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

The consideration made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in associates are accounted for under the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associate. The consolidated statement of income reflects the Group's share of the financial performance of the associates. Unrealized gains and losses from transactions with the associates are eliminated to the extent of the Group's interest in the associates. The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

An investment in an associate is accounted for using the equity method from the date when it becomes an associate. On acquisition of the investment, any difference between the cost of the investment and the investor's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for as follows:

a. goodwill relating to an associate is included in the carrying amount of the investment. However, amortization of that goodwill is not permitted and is therefore not included in the determination of the Group's share in the associate's profit or losses.
b. any excess of the Group's share in the fair value of the associate's identifiable assets, liabilities, and contingent liabilities over the cost of the investment is included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Also, appropriate adjustments to the Group's share of the associate's profit or loss after acquisition are made to account , if any, for the depreciation of the depreciable assets based on their fair values at the acquisition date and for impairment losses recognized by the associate, such as for goodwill or property, plant and equipment.

When the Group's interest in an investment in associate is reduced to zero, additional losses are provided only to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the investee that the Group has guaranteed or otherwise committed. If the associate subsequently reports profits, the Group resumes recognizing its share of the profits if its equals the share of net losses not recognized.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with PAS 39 from that date, provided the associate does not become subsidiary or a joint venture. Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognized in the accompanying consolidated financial statements its share of the jointly controlled assets, classified as real estate inventories (see Note 10) and mining rights (see Note 15).

A jointly controlled asset involves joint control and ownership by the Group and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity. The Group accounts for its share of the jointly controlled assets, any liabilities it has incurred, its share of any liabilities jointly incurred with other ventures, income from the sale or use of its share of the joint venture's output, together with its share of the expenses incurred by the joint venture, and any expenses it incurs in relation to its interest in the joint venture.

Property, Plant and Equipment

Property, plant and equipment (except land) is stated at cost, net of accumulated depreciation and amortization and accumulated impairment losses, if any. Such cost includes the cost of replacing the part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is carried at cost less any impairment losses.

Property, plant and equipment are depreciated and amortized using the straight-line method over their expected economic useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

The components of the power plant complex and their related estimated useful lives are as follows:

	Number of Years
Main engine	12 - 18 years
Plant mechanical, electrical, switchyard and desulfurization equipment	18 years
Plant structures and others	18 years

Other property, plant and equipment are depreciated and amortized using the straight-line method over the following estimated useful lives:

	Number of Years
Buildings	10–25 years
Leasehold improvements	2–5 years or term of the lease, whichever period is shorter
Machinery and other equipment:	
Power and water facilities	7–30 years
Machinery and equipment	5–10 years
Office furniture, fixtures and equipment	3–5 years
Transportation and office equipment	2–5 years

Construction in progress represents properties under construction and is stated at cost. Cost includes cost of construction and other direct costs. Construction in progress is depreciated when the asset is available for use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the property, plant and equipment (difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income in the period the property, plant and equipment is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end, and adjusted prospectively if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method.

Initial measurement
The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs incurred such as finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department or business development offices are expensed and included as part of "General and administrative expenses" account in the consolidated statement of income.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS 39 is measured at fair value with the changes in fair value recognized either in the consolidated statement of income or as a change to other comprehensive income. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with appropriate PFRS. Contingent consideration that is classified as equity is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to these provisional values because of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if the asset, liability or contingent liability's fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

Subsequent measurement
Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's format determined in accordance with PFRS 8, *Operating Segments*.

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

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized as income or loss in the consolidated statement of income.

Computer Software
Computer software (included as part of "Other noncurrent assets" account) is initially recognized at cost. Following initial recognition, computer software is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The software cost is amortized on a straight-line basis over its useful economic life of three (3) years and assessed for impairment whenever there is an indicator that the computer software may be impaired. The amortization commences when the computer software is available for use. The amortization period and method for the computer software are reviewed at each reporting date. Changes in the expected useful life is accounted for by changing the amortization period as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income.

Deferred Project Costs
Deferred project costs (included as part of "Other noncurrent assets" account) are costs incurred by the Group on certain on-going projects. These are stated at cost, net of accumulated impairment losses, if any.

Mining Rights
Mining rights (included as part of "Other noncurrent assets" account) are stated at cost less any accumulated depletion and any accumulated impairment losses. The cost of the mining rights includes the purchase price, fees, licenses directly related to the quarry and other similar payments to third parties. Mining rights are not yet subject to depletion until actual extraction of mineral reserves. Depletion of the mining rights is computed using the unit-of-production method. Mining rights are charged to current operations in the year these are determined to be worthless.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists and when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less cost to sell or its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. Any impairment loss is recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The Group determines whether it is necessary to recognize an additional impairment loss on the Group's investments in associates after application of the equity method. The Group determines at each balance sheet date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the investment in associate and the acquisition cost (adjusted for post-acquisition changes in the Group's share of the financial performance of the associates) and recognizes the difference in the consolidated statement of income.

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

Redeemable Preferred Shares
In determining whether a preferred share is a financial liability or an equity instrument, the Group assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. A preferred share that provides for mandatory redemption by the Group for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the Group to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Redeemable preferred shares is presented as equity when the option for redeeming the redeemable preferred shares is at the issuer's discretion and the price of redemption is to be decided by the BOD.

Retained Earnings
Retained earnings include accumulated profits attributable to the equity holders of the Parent Company reduced by dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Cash Dividend and Noncash Distribution to Equity Holders of a Parent
The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the BOD. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of income.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and sales taxes. The following specific recognition criteria must also be met before revenue is recognized:

Energy fees
Revenue from the long-term ECAs under the Build-Operate-Own arrangements for SPPC and WMPC consists of fixed capacity, operation and maintenance fees, infrastructure fee and variable energy fee. Revenues from fixed capacity, operation and maintenance fees, and infrastructure fee are recognized on a straight-line basis over the term of the ECA. Revenue from variable energy fee is recognized upon delivery of the power to NPC. Billings to NPC are denominated either in US dollar or Philippine peso in accordance with the ECAs.

Power sales and service income
Revenue from power sales and service income was recognized on the accrual basis based on monthly meter reading of the customers' utility and water consumption and wastewater discharge. Electric bill includes generation, transmission, distribution and universal charges.

Sale of real estate
Revenue from sales of real estate and cost from real estate projects is accounted for using the full accrual method. Under this method, revenue is recognized in full when 25% of sales are collected in the year of sale.

However, where the Group has material obligations under the sales contract to complete the project after the property is sold, the percentage-of-completion method is used to recognize income from sales of projects. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Any excess collections over the recognized receivables are included in the "Accounts payable and other current liabilities" account in the consolidated balance sheet.

Rental income
Revenue is recognized on a straight-line method over the term of the lease agreements.

Management fees
Revenue from management services is recognized as the services are rendered in accordance with the terms of the agreements.

Interest income
Income is recognized as the interest accrues.

Costs and Expenses
Costs and expenses are recognized in the consolidated statement of income when a decrease in future economic benefit related to a decrease of an asset or an increase of a liability has arisen that can be measured reliably. Costs and expenses are recognized in the consolidated statement of income on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated balance sheet as an asset.

Deferred Oil Exploration Costs
The Group follows the full-cost method of accounting for exploration costs determined on the basis of each Service Contract/Geophysical Survey and Exploration Contract (SC/GSEC) area. Under this method, all exploration costs relating to each SC/GSEC are initially deferred pending determination of whether the area contains oil reserves of commercial quantity. The costs of

exploration and development relating to the SC/GSEC area where oil in commercial quantity is discovered are subsequently capitalized upon commercial production as part of "Machinery and other equipment" under "Property, plant and equipment" account in the consolidated balance sheet. When the SC/GSEC is permanently abandoned, the related deferred oil exploration and development costs are written off. SC/GSECs are considered permanently abandoned if the SC/GSEC has expired and/or there are no definite plans for further exploration and/or development.

Retirement Benefits

The Group, excluding SPPC, WMPC and APMC, has an unfunded, noncontributory defined benefit retirement plan covering all qualified employees. SPPC, WMPC, and AMPC have a funded, noncontributory defined benefit retirement plan covering all qualified employees. The Group's obligation and costs of retirement benefits are actuarially computed by professionally qualified independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which these occur in other comprehensive income.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as part of retirement cost in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date or whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.
A reassessment is made after inception of the lease only if one of the following applies:

(a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
(c) there is a change in the determination of whether fulfillment is dependent on a specified asset; or
(d) there is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Fixed lease payments are recognized as expense in the consolidated statement of income on a straight-line basis while the variable rent is recognized as expense based on terms of the lease contract.

Group as lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as rental income in the consolidated statement of income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.
Contingent rents are recognized as revenue in the period in which these are earned.

Foreign Currency-denominated Transactions and Translations
Transactions denominated in foreign currency are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at the balance sheet date. Nonmonetary items denominated in foreign currency are translated using the exchange rates as at the date of initial transaction. All exchange rate differences are taken to the consolidated statement of income.

The assets and liabilities of subsidiaries whose functional currency is U.S. dollar are translated into Philippine peso at the rate of exchange prevailing at the reporting date and their statement of income are translated at exchange rate at the date of the transactions. The exchange rate differences arising on the translation are recognized under "Translation adjustment" account in the

consolidated statement of comprehensive income. On disposal of these subsidiaries, the component of other comprehensive income relating to that particular subsidiary is recognized in the consolidated statement of income.

Borrowing Costs
Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs not qualified for capitalization are expensed as incurred.

Income Taxes
Current tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax
Except for AIL and APIL, which are domiciled in the BVI, the Group accounts for its income tax based on its reported income for the period using deferred taxation on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using the liability method.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable income; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO). Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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

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

Income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Value-added tax
Revenue, expenses, assets and liabilities are recognized net of the amount of value-added tax (VAT), except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of "Input VAT" or "Accounts payable and other current liabilities" in the consolidated balance sheet.

Input VAT income
Input VAT income represents the excess of the allowable input tax sales of goods and service to the Philippine government, through NPC, of SPPC and WMPC over the actual input tax from purchases.

Provisions
General
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense.

Asset retirement obligation
The asset retirement obligation arose from the Group's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and

recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount. If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statement of income.

Basic/Diluted Earnings Per Share
Basic/diluted earnings per share (EPS) is determined by dividing net income by the weighted average number of shares issued and outstanding after giving retroactive adjustment for any stock dividends and stock splits declared during the period. The Group has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted earnings per share.

Business Segments
The Group is organized and managed separately according to the nature of business. The Group conducts majority of its business activities into two major business segments: (1) Energy and Power and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments".

Segment assets and liabilities
Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, short-term cash investments, trade and other receivables, investments in real estate and real estate inventories, and property, plant and equipment, net of allowances and provision. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities. Segment assets and liabilities do not include deferred income taxes, investments and advances, and borrowings.

Inter-segment transactions
Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

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

Discontinued Operations
A disposal group qualifies as discontinued operations if it is:

- a component of the Group that is a CGU or a group of CGUs
- classified as held for sale or distribution or already disposed in such a way, or
- a major line of business or major geographical area.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of income.

Additional disclosures are provided in Note 30. All other notes to the consolidated financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

Events After the Reporting Period
Post balance sheet date events that provide additional information about the Group's financial position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post balance sheet date events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at end of reporting period, giving due consideration to materiality.

The uncertainties inherent in these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying value of the assets or liabilities affected in the future years. The effect of any change in judgments, estimates and assumptions are reflected in the consolidated financial statement as they become reasonably determinable. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be determinable under the circumstances.

Management believes the following represent a summary of these significant judgments, estimates and assumptions and related impact and associated risks in the consolidated financial statements.

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

Determination of functional currency
On a consolidated basis, the Group follows the functional currency of the Parent Company. The Parent Company and its subsidiaries determine their own functional currency based on the economic substance of the underlying circumstances relevant to each entity in the Group. The Philippine peso is the functional and presentation currency of the Group except for CHC and subsidiaries whose functional currency is the U.S. dollar.

Revenue recognition
The Group assesses its revenue against specific criteria in order to determine if it is principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Classification of investment in an associate
While the Parent Company holds less than 20% interest in Indophil Resources, NL (Indophil), the Company classifies and accounts for it as investment in an associate by virtue of an Agreement for the Joint Voting of Indophil shares entered into with Alsons Prime Investment Corporation (APIC) and Alsons Corporation (Alcorp), companies under the Alcantara Group, which defines the basic principles governing their conduct as common shareholders of Indophil and the exercise of their respective voting rights therein. The carrying value of investment in Indophil amounted to ₱1,213 million and ₱1,215 million as at December 31, 2014 and 2013, respectively (see Note 11).

Determining whether an arrangement contains a lease and proper classification of the lease
The ECAs qualify as leases on the basis that the Group sells all its output to NPC. The agreements call for a take or pay arrangement where payments are made on the basis of the availability of the power plant complex and not on actual deliveries. The lease arrangements are determined to be operating leases where significant portion of the risks and rewards of ownership are retained by the Group. Accordingly, the power plant complex is recorded as part of property, plant and equipment and the fees billed to NPC are recorded as revenue on a straight-line basis.

Operating lease commitments - Group as lessor
The Group has entered into a lease of its property. The Group has determined that it retains all significant risks and rewards of ownership of the property as the Group considered, among others, the length of the lease term as compared with the estimated useful life of the assets and accounts for the lease as an operating lease.

Distinction between real estate inventories and investments in real estate
The Group determines whether a property will be classified as real estate inventories or investments in real estate as follows:

- Real estate inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

- Investments in real estate comprise land and building which are not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The carrying values of the Group's investments in real estate and real estate inventories amounted to ₱1,527 million and ₱642 million, respectively, as of December 31, 2014 and ₱1,477 million and ₱649 million, respectively, as of December 31, 2013 (see Note 10).

Classification of financial instruments
If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation and when the Group is required to settle its obligation under conditions that are potentially unfavorable to the Group and will require delivery of variable number of the Group's own equity shares, the obligation meets the definition of a financial liability.

The Parent Company continually assesses the classification of the redeemable preferred stock. If the redeemable preferred stock ceases to have all the features or meet all the conditions set out to be classified as equity, the Parent Company will reclassify it as a financial liability and measure it at fair value at the date of reclassifications, with any differences from the carrying amount recognized in equity.

The Parent Company assessed that its preferred stock met all the features or conditions set out to be classified as equity. On February 4, 2013, all of the Parent Company's preferred shares have been subscribed by Alcorp (see Note 21).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial assets and liabilities
PFRS requires certain financial assets and financial liabilities to be carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology. Changes in assumptions could affect the reported fair value of the financial assets and liabilities.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are discussed in Note 33.

Estimation of allowance for impairment losses
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts. These factors include, but not limited to, the age and status of receivable, the length of relationship with the customers, the customer's payment behavior and known market factors. Accounts that are specifically identified to be potentially uncollectible are provided with adequate allowance through charges to income in the form of provision for impairment losses. The review is made by management on a continuing basis to identify accounts to be provided with allowance. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated.

In addition to specific allowance against individually significant receivables, the Group also makes a collective impairment allowance against exposures which have a greater risk of default than when originally granted. This collective allowance is based on historical loss experience.

The carrying values of trade and other receivables (including noncurrent portion of installment receivables) amounted to ₱4,016 million and ₱4,330 million as at December 31, 2014 and 2013, respectively. Allowance for impairment losses amounted to ₱80 million and ₱98 million as at December 31, 2014 and 2013, respectively (see Note 8).

Estimation of NRV of inventories
Inventories are valued at the lower of cost and NRV. For spare parts and supplies, allowance for inventory obsolescence and losses are maintained at a level considered adequate to provide for potentially nonvaluable items. The level of allowance is based on the turnover/movement of specific inventories and other physical factors affecting usefulness of specific inventories.

For real estate inventories, determining the fair value requires the determination of cash flows from the expected sale of the asset less cost of marketing. The determination of fair value requires the Group to make estimates and assumptions that may materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material impact on the Group's financial position and performance.

The carrying values of spare parts and supplies amounted to ₱242 million and ₱204 million as at December 31, 2014 and 2013, respectively (see Note 9). The carrying values of real estate inventories amounted to ₱642 million and ₱649 million as at December 31, 2014 and 2013, respectively (see Note 10). In 2012, due to the improvement in the sale activity of real estate inventories and improvement on the price of the Group's real estate inventories, reversal of impairment loss amounting to ₱72 million is recognized as part of "Other income (charges)" in the 2012 consolidated statement of income (see Note 27). Recovery of impairment loss on sold real estate inventories previously provided with allowance for impairment amounting to ₱4 million in 2014 and 2013 and ₱17 million in 2012 are also recognized as part of "Other income (charges)" in the consolidated statements of income (see Note 27).

Estimation of useful lives of property, plant and equipment
The useful lives of the property, plant and equipment is estimated based on the period over which the property, plant and equipment are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimated useful lives of property, plant and equipment are reviewed periodically and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. It is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the carrying values of the property, plant and equipment.

There are no changes in the estimated useful lives of property, plant and equipment in 2014 and 2013. The carrying values of property, plant and equipment amounted to ₱13,410 million and ₱6,674 million as at December 31, 2014 and 2013, respectively (see Note 12). However, starting 2015, the useful life of components of the power plant complexes will be extended for another10 years based on the Group's forecast of operations after the ECA period. Estimated impact on future annual depreciation expense is as follows (amounts in millions):

Years ended December 31	Increase (Decrease)
2015	(₱472)
2016	(12)
2017 until 2020	55
2021 until 2025	51
2026	8

Impairment of AFS financial assets
The Group treats AFS financial asset as impaired when there has been a significant or prolonged decline in fair value below its cost or whether an objective evidence of impairment exist. The determination of "significant and prolonged" requires judgment. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price of the instrument and future cash flows.

The carrying value of AFS financial assets amounted to ₱117 million and ₱56 million as at December 31, 2014 and 2013, respectively. No impairment loss was recognized on AFS financial assets in 2014, 2013 and 2012. The Group recognized unrealized loss (gain) on fair valuation of AFS financial assets recognized in OCI amounting to ₱87 million in 2014, ₱7 million in 2013 and (₱18 million) in 2012 (see Notes 13 and 21).

Impairment of nonfinancial assets (except goodwill)
An impairment review is performed when certain impairment indicators are present. These factors include, among others:

a. Investments in real estate, property, plant and equipment and deferred project costs
   - Significant underperformance relative to the future sales performance and projected operating results; and
   - Significant negative industry or market trends

b. Investment in associate
   There is objective evidence that one or more events occurring after the initial recognition of the investment have had an impact on the estimated future cash flows of the investment that can be reliably estimated. Impairment exists when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

c. Mining rights and deferred exploration costs
   - The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
   - Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
   - Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mining rights and deferred project costs asset is unlikely to be recovered in full from successful development or by sale.

The Group is required to make estimates and assumptions that can materially affect the consolidated financial statements when determining the value-in-use of nonfinancial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. Future events could cause the Group to conclude that such financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance. Provision for impairment loss on deferred project costs amounted to ₱3 million in 2013 and 2012 (nil in 2014) (see Notes 15 and 23).

The carrying values of nonfinancial assets (except goodwill) subjected to impairment testing follows:

	2014	2013
	(In Millions)	
Investments in real estate (see Note 10)	₱1,527	₱1,477
Investments in associates (see Note 11)	1,218	1,220
Property, plant and equipment (see Note 12)	13,410	6,674

(Forward)

	2014	2013
Mining rights and deferred exploration costs (see Note 15)	₱230	₱224
Deferred project costs (see Note 15)	225	181
Deferred oil exploration costs (see Note 15)	63	63
Computer software (see Note 15)	25	16
	₱16,698	₱9,855

The Group recognized full impairment on the deferred oil exploration costs as of December 31, 2014 and 2013(see Note 15).

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis, or more frequently, if events or changes in circumstances indicate that it may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Estimating the value -in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

As at December 31, 2014 and 2013, based on the assessment of the Group, there is no impairment in the carrying value of goodwill. The carrying amount of goodwill amounted to ₱1,002 million and ₱995 million as at December 31, 2014 and 2013, respectively (see Note 14).

Estimation of retirement costs and obligation
The determination of the obligation and cost for retirement and other pension benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions, which include among others, discount rates and future salary increase, are described in Note 28. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

The Group obtained actuarial valuation reports in 2014 and 2013. Total net retirement assets of SPPC, WMPC and APMC amounted to ₱45 million and ₱50 million as at December 31, 2014 and 2013, respectively (see Note 28). Total retirement liabilities of the Parent Company and other subsidiaries amounted to ₱7 million and ₱9 million as at December 31, 2014 and 2013, respectively (see Note 28). Retirement benefits costs recognized in the consolidated statements of income amounted to ₱9 million, ₱12 million and ₱6 million in 2014, 2013 and 2012, respectively (see Notes 24, 28 and 30).

Estimation of asset retirement obligation
The asset retirement obligation arises from the Group's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not

exceed its carrying amount. If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statements of income. Asset retirement obligation as at December 31, 2014 and 2013 amounted to ₱67 million and ₱79 million, respectively (see Note 19).

Estimation of deferred income tax assets
The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Group's past results and future expectations on revenues and expenses.

In 2009, SPPC and WMPC determined that the use of Optional Standard Deduction (OSD) would be advantageous based on their forecast. Deferred income taxes on items considered in determining gross income for income tax purposes were computed using an effective tax rate of 18% and deferred income taxes on items not part of gross income for income tax purposes were not recognized.

Deferred income tax assets amounted to ₱30 million and ₱42 million as at December 31, 2014 and 2013, respectively. Also, the Group has unrecognized NOLCO, excess MCIT over RCIT and temporary differences as at December 31, 2014 and 2013 as disclosed in Note 29.

Legal contingencies
The Group is involved in certain legal proceedings as discussed in Note 35. The estimate of the probable costs for the assessment and resolution of these possible claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon thorough analysis of potential results. There are no provisions for probable losses arising from contingencies recognized in the Group's consolidated financial statements as management believes that the resolution will not materially affect the Group's financial position and performance.

6. Segment Information

The Group conducts majority of its business activities in two major business segments: (1) Energy and Power and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Other Investments." Earnings information related to discontinued operation under property and development segment is presented in Note 30.

Information with regard to the Group's significant business segments are shown below:

	2014					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information						
Revenues						
External customer	₱5,159,454,286	₱20,616,802	₱–	₱5,180,071,088	₱–	₱5,180,071,088
Inter-segment	–	–	499,594,802	499,594,802	(499,594,802)	–
Total revenues	5,159,454,286	20,616,802	499,594,802	5,679,665,890	(499,594,802)	5,180,071,088
Interest income	21,004,323	832,732	387,202	22,224,257	–	22,224,257
Finance charges	(90,954,458)	(4,062,696)	(348,816,805)	(443,833,959)	237,265,211	(206,568,748)
Provision for income tax	(334,882,053)	(1,283,328)	(26,078,468)	(362,243,848)	–	(362,243,848)
Net income from continuing operations	925,137,143	(48,199,465)	36,941,507	913,879,185	(186,735,918)	727,143,267
Other Information						
Investments in associates and due from related parties	703,006,821	1,489,723,618	4,113,703,800	6,306,434,239	(2,143,427,743)	4,163,006,496
Segment assets	18,380,246,416	637,069,475	2,155,981,445	21,173,297,335	4,533,584,961	25,706,882,296

(Forward)

	2014					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Segment liabilities	₱1,486,324,313	₱103,570,434	₱305,417,192	₱1,895,311,939	₱13,403,200,096	₱15,298,512,035
Depletion, depreciation and amortization	(813,319,545)	(976,384)	(81,057)	(841,375,986)	–	(814,375,986)
Reversal of impairment loss	–	(3,946,795)	–	(3,946,795)	–	(3,946,795)
Capital expenditures	7,552,903,786	263,673	24,946	7,553,192,405	–	7,553,192,405
Equity in net losses	–	–	–	–	(1,279,357)	(1,279,357)
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	2,056,813,181	3,436,871	(158,153,638)	1,902,096,414	74,448,624	1,976,545,038
Investing activities	(7,746,385,659)	(336,042)	(782,806,530)	(8,529,528,231)	1,959,754,511	(6,569,773,720)
Financing activities	6,750,778,442	(32,080,000)	1,011,222,978	7,729,921,420	(2,037,249,335)	5,692,672,085

	2013 (Note 16)					
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information						
Revenues						
External customer	₱3,316,193,426	₱27,343,188	₱–	₱3,343,536,614	₱–	₱3,343,536,614
Inter-segment	–	–	424,926,000	424,926,000	(424,926,000)	–
Total revenues	3,316,193,426	27,343,188	424,926,000	3,768,462,614	(424,926,000)	3,343,536,614
Interest income	32,238,478	482,632	622,859	33,343,969	(8,157,447)	25,186,522
Finance charges	(67,567,678)	(6,063,526)	(104,868,355)	(178,499,559)	59,126,762	(119,372,797)
Provision for income tax	271,872,842	195,548	(1,844,336)	270,224,054	–	270,224,054
Net income from continuing operations	809,020,757	473,136,269	254,039,997	1,536,197,023	(966,911,209)	569,285,814
Other Information						
Investments in associates and due from related parties	457,758,934	922,682,970	4,307,182,614	5,687,624,518	(1,260,014,813)	4,427,609,705
Segment assets	10,553,290,231	1,960,761,096	354,785,698	12,868,837,025	5,120,292,228	17,989,129,253
Segment liabilities	811,268,617	119,959,393	76,909,158	1,008,137,168	6,609,547,367	7,617,684,535
Depletion, depreciation and amortization	(699,891,338)	(5,181,518)	(1,058,429)	(706,131,285)	–	(706,131,285)
Reversal of (provisions for) impairment losses	(2,849,457)	4,140,694	–	1,291,237	–	1,291,237
Capital expenditures	4,445,224,912	26,365,870	77,970	4,471,668,752	–	4,471,668,752
Equity in net losses	–	–	–	–	(100,920,763)	(100,920,763)
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	1,732,043,776	(829,281,769)	71,230,533	973,992,540	1,115,742,895	2,089,735,435
Investing activities	(3,619,728,968)	1,209,180,121	(71,398,793)	(2,481,947,640)	(1,290,089,874)	(3,772,037,514)
Financing activities	2,785,896,599	(189,221,078)	505,134,367	3,101,809,888	(275,138,294)	2,826,671,594

	2012					
	Energy And Power	Property Development	Other Investments	Total	Eliminations	Consolidated
Earnings Information						
Revenues						
External customer	₱2,100,705,775	₱41,750,362	₱–	₱2,142,456,137	₱–	₱2,142,456,137
Inter-segment	–	–	417,286,012	417,286,012	(417,286,012)	–
Total revenues	2,100,705,775	41,750,362	417,286,012	2,559,742,149	(417,286,012)	2,142,456,137
Interest income	45,683,270	580,119	179,728	46,443,117	–	46,443,117
Finance charges	(47,227,132)	(6,722,920)	(30,340,608)	(84,290,660)	–	(84,290,660)
Provision for income tax	202,644,489	(7,549,420)	28,137,558	223,432,627	17,721,874	241,154,501
Net income from continuing operations	830,976,251	(12,746,294)	567,182,717	1,385,412,674	(391,971,435)	993,441,239
Other Information						
Investments in associates and due from related parties	420,716,889	680,639,085	3,768,079,375	4,869,435,349	(1,543,814,724)	3,325,620,625
Segment assets	6,238,212,836	3,171,300,899	321,065,106	9,730,578,841	4,293,209,859	14,023,788,700
Segment liabilities	260,196,644	292,379,204	76,263,642	628,839,490	2,189,862,397	2,818,701,887
Depletion, depreciation and amortization	(613,713,322)	(5,463,252)	(3,666,258)	(622,842,832)	–	(622,842,832)
Reversal of (provisions for) impairment losses, bad debts, income from reversal of estimated liquidation expenses	(1,893,057)	(1,792,300)	–	(3,685,357)	–	(3,685,357)
Capital expenditures	402,290,426	1,792,300	59,098	404,141,824	–	404,141,824
Cash Flow Information						
Net cash flows provided by (used in):						
Operating activities	1,385,438,937	200,256,876	216,126,442	1,801,822,255	(61,658,178)	1,740,164,077
Investing activities	836,188,500	43,244,215	164,841,584	1,044,274,299	(2,023,334,356)	(979,060,057)
Financing activities	(2,435,130,909)	(219,976,855)	(352,863,125)	(3,007,970,889)	2,066,020,625	(941,950,264)

Except for fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia amounting to ₱25 million in 2014, ₱24 million in 2013 and ₱23 million in 2012, the Group operates and derives principally all of its revenues from domestic operations. Thus, geographical business information is not required.

The following illustrate the reconciliations of reportable segment assets and liabilities to the Group's corresponding amounts:

	2014	2013 (Note 16)	2012
Assets			
Total assets for reportable segments	₱21,173,297,335	₱12,868,837,025	₱9,730,578,841
Investments in shares of stock and due from related parties	12,179,485,299	11,935,523,259	10,126,043,952
Fair value adjustment on real estate inventories	(552,825,212)	(552,825,212)	(552,825,212)
Goodwill	(43,139,631)	(43,139,631)	(43,139,631)
Accrued interest	11,175,192	10,709,493	11,050,358
Accumulated impairment loss on real estate inventories	6,299,378	10,246,173	14,386,867
Eliminations	(7,048,998,975)	(6,240,221,854)	(5,262,306,475)
Consolidated assets	₱25,725,293,386	₱17,989,129,253	₱14,023,788,700
Liabilities			
Total liabilities for reportable segments	₱1,895,311,939	₱1,008,137,168	₱628,839,490
Long-term debt	12,938,691,818	5,190,495,041	1,681,776,549
Due to related parties	1,435,592,155	1,305,659,082	1,857,656,599
Loans payable	259,999,978	794,366,639	–
Deferred tax liabilities - net	262,899,696	257,108,494	241,526,251
Income tax payable	120,268,492	100,872,098	69,482,159
Accrued interest payable	161,841,990	86,647,869	21,294,760
Eliminations	(1,757,682,943)	(1,125,601,856)	(1,681,873,921)
Consolidated liabilities	₱15,316,923,125	₱7,617,684,535	₱2,818,701,887

7. Cash and Cash Equivalents and Short-term Cash Investments

	2014	2013
Cash on hand	₱59,500	₱484,496
Cash in banks	2,383,157,758	1,193,066,876
Cash equivalents	129,166,117	228,811,413
	₱2,512,383,375	₱1,422,362,785

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short-term cash investments amounting to ₱34 million and ₱9 million as at December 31, 2014 and 2013, respectively, consist of money market placements with maturities of more than three months but less than one year with interest rates ranging 3.00% to 4.10%.

Interest income from cash and cash equivalents and short-term cash investments amounted to ₱22 million, ₱25 million and ₱46 million for the years ended December 31, 2014, 2013 and 2012, respectively.

8. Trade and Other Receivables

	2014	2013
Trade:		
Power	₱762,478,325	₱610,424,604
Real estate	83,760,479	257,194,970
Product distribution and others	31,730,458	31,730,458
Due from related parties (see Note 20)	2,944,690,536	3,208,014,388
Retention receivables (see Note 30)	115,393,178	162,300,000
Others	150,573,048	148,584,212
	4,088,626,024	4,418,248,632
Less allowance for impairment losses	80,483,915	98,299,163
	₱4,008,142,109	₱4,319,949,469

Power
Represent billings to NPC by SPPC and WMPC under existing ECAs (see Note 34). These receivables are noninterest-bearing and are generally on 30 days term. Trade receivables include long-outstanding receivables of SPPC from NPC amounting to ₱110 million ($2.48 million) as at December 31, 2014 and 2013, respectively, representing billings from 2005 to 2006 for additional 5MW installed capacity nominated by SPPC. The allowance provided amounting to ₱30 million ($0.69 million) and ₱28 million ($0.69 million) as at December 31, 2014 and 2013, respectively, is management's best estimate of impairment loss on the long-outstanding receivables from NPC.

Real Estate
This pertains to receivables from venturers and customers from the sale of residential and commercial lots and units.

Real estate receivables are generally noninterest-bearing and have terms of less than one year, except for installment receivables amounting to ₱63 million and ₱65 million as at December 31, 2014 and 2013, respectively, which are collectible in monthly installment over a period of two to 10 years and bear interest rates ranging from 18% to 21% computed on the outstanding balance of the principal. Title on the lots sold is passed on to the buyer only upon full settlement of the contract price. The noncurrent portion of the installment receivables amounted to ₱8 million and ₱10 million as at December 31, 2014 and 2013, respectively.

Real estate receivables amounting to ₱52 million and ₱220 million as at December 31, 2014 and 2013, respectively, relate to the Group's share on the sale of the developed residential and commercial lots and golf shares in the Eagle Ridge Golf and Residential Estates jointly developed with Sta. Lucia Realty and Development, Inc. (SLRDI) (see Notes 10 and 34). In 2012, provision for impairment loss amounting to ₱20 million was recorded under "General and administrative expenses" account in the 2012 consolidated statement of income (see Note 23). In 2014, the Group reclassified a portion of real estate receivables with net carrying value of ₱148 million to AFS investments because management believes that the underlying instruments qualify as equity investments. The prior years' financial statements were not restated since the impact is not material to the consolidated financial statements (see Note 13).

Product Distribution and Others
These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at December 31, 2014 and 2013.

Retention Receivables
Retention receivable pertains to the outstanding balance from Aboitiz Land, Inc. (Aboitiz) for the sale of Lima Land Inc. (LLI), which will be collected upon accomplishment of certain milestones (see Note 30).

Due from Related Parties and Other Receivables
Due from related parties and other receivables are due on demand. Other receivables primarily include advances to employees, receivables from contractors, receivables from insurance claims and receivables from venturers.

Included in the other receivables is LUC's claim from NPC for advances amounting to ₱3 million as at December 31, 2014 and 2013 representing reimbursement due to the installation of transmission line from NPC to substations in Lipa Batangas. No provision for impairment loss was provided for these advances.

The Parent Company has various advances to third parties that were nonmoving since prior years. These advances have been specifically identified to be potentially uncollectible and thus, fully provided with allowance.

Movements of allowance for impairment losses are as follows:

	2014				
	Power	Real Estate	Product Distribution	Others	Total
Balances at beginning of year	₱28,343,011	₱31,561,222	₱31,730,458	₱6,664,472	₱98,299,163
Reclassification to OCI	–	(20,000,000)	–	–	(20,000,000)
Effect of change in foreign exchange rate	2,172,710	–	–	12,042	2,184,752
Balances at end of year	₱30,515,721	₱11,561,222	₱31,730,458	₱6,676,514	₱80,483,915
Individually impaired	₱13,911,185	₱–	₱–	₱5,074,645	₱18,985,830
Collectively impaired	16,604,536	11,561,222	31,730,458	1,601,869	61,498,085
	₱30,515,721	₱11,561,222	₱31,730,458	₱6,676,514	₱80,483,915

	2013				
	Power	Real Estate	Product Distribution	Others	Total
Balance at beginning of year	₱28,344,943	₱31,561,222	₱31,730,458	₱6,664,812	₱98,301,435
Effect of change in foreign exchange rate	(1,932)	–	–	(340)	(2,272)
Balance at end of year	₱28,343,011	₱31,561,222	₱31,730,458	₱6,664,472	₱98,299,163
Individually impaired	₱13,810,086	₱–	₱–	₱5,062,603	₱18,872,689
Collectively impaired	14,532,925	31,561,222	31,730,458	1,601,869	79,426,474
	₱28,343,011	₱31,561,222	₱31,730,458	₱6,664,472	₱98,299,163

9. Spare Parts and Supplies

	2014	2013
Spare parts	₱136,565,220	₱148,509,390
Oil, lubricants and chemicals	104,760,491	48,579,791
Operating supplies and consumables	238,313	7,259,828
	₱241,564,024	₱204,349,009

10. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories

	2014	2013
Eagle Ridge Project (General Trias, Cavite) - at cost (see Note 34)	₱622,816,151	₱623,563,443
Campo Verde Project (Lipa and Malvar, Batangas) - at NRV (see Note 34)	19,524,685	25,852,852
	₱642,340,836	₱649,416,295

A summary of the movements in real estate inventories is set out below:

	2014	2013
Cost		
Balances at beginning of year	₱675,541,776	₱873,510,997
Cost of real estate sold	(15,343,214)	(27,031,571)
Cancellation of sale	4,320,960	215,996
Disposal of a subsidiary (see Note 30)	-	(171,153,646)
Balances at end of year	664,519,522	675,541,776
Allowance for Impairment Loss		
Balances as at beginning of year	26,125,481	30,266,175
Recovery of impairment due to sale (see Note 27)	(3,946,795)	(4,140,694)
Balances at end of year	22,178,686	26,125,481
	₱642,340,836	₱649,416,295

In 2013, ALC sold its equity interest in LLI to Aboitiz. The carrying value of disposed real estate inventories due to sale of LLI amounted to ₱171 million (see Note 30).

Due to the improvement in the sale activity of real estate inventories and improvement on the selling price of the Group's real estate inventories, reversal of impairment loss amounting to ₱72 million is recognized as part of "Other income (charges)" in the 2012 consolidated statement of income. Recovery of impairment loss on sold real estate inventories previously provided with allowance for impairment amounting to ₱4 million in 2014 and 2013 and ₱17 million in 2012 are recognized also as part of "Other income (charges)" in the consolidated statements of income (see Note 27). Accumulated impairment losses on real estate inventories amounted to ₱22 million and ₱26 million as at December 31, 2014 and 2013, respectively.

Included in "Real estate inventories" account are properties with a carrying amount of ₱145 million as at December 31, 2014 and 2013 were used as collateral for the loans availed by ALC, Parent Company and certain affiliates (see Note 18).

Investments in Real Estate

	2014	2013
Lanang Property (Lanang, Davao City)	₱1,275,631,722	₱1,226,174,500
ALC Property (Pasong Tamo, Makati)	131,810,479	131,312,070
Batangas Project (Lipa and Malvar, Batangas)	115,087,360	115,087,360
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱1,527,215,497	₱1,477,259,866

A summary of the movements in investments in real estate is set out below:

	December 31, 2014		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱1,471,367,796	₱29,167,170	₱1,500,534,966
Additions	49,269,562	1,202,560	50,472,122
Balances at end of year	1,520,637,356	30,369,730	1,551,007,088
Accumulated Depreciation			
Balances at beginning of year	–	23,275,100	23,275,100
Depreciation (see Note 25)	–	516,491	516,491
Balances at end of year	–	23,791,591	23,791,591
Net Book Value	₱1,520,637,356	₱6,578,139	₱1,527,215,497

	December 31, 2013		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱2,438,930,689	₱68,199,829	₱2,507,130,518
Additions	90,529,721	32,120	90,561,841
Disposal of a subsidiary (see Note 30)	(1,058,092,614)	(43,599,497)	(1,101,692,111)
Reclassification from other noncurrent assets	–	4,534,718	4,534,718
Balances at end of year	1,471,367,796	29,167,170	1,500,534,966
Accumulated Depreciation			
Balances at beginning of year	–	34,020,751	34,020,751
Depreciation (see Note 25)	–	3,403,534	3,403,534
Reclassification	–	(14,149,185)	(14,149,185)
Balances at end of year	–	23,275,100	23,275,100
Net Book Value	₱1,471,367,796	₱5,892,070	₱1,477,259,866

Lanang Property

On December 27, 2011, the BOD of ACR approved the acquisition of 72% of the outstanding shares (consisting of 2,000,000 common shares and 344,498 preferred shares) of C. Alcantara & Sons, Inc. (CASI) from Aldevinco, a stockholder of ACR and Alcorp, in behalf of Aldevinco, for a total consideration of ₱1,226 million. The acquisition was paid through the reduction of ACR's receivables from Aldevinco equivalent to ₱1,226 million on that date. The total consideration of ₱1,226 million represents the market value of Lanang landholdings of CASI as determined by an independent third party appraiser. This acquisition provides ACR the right to own and develop 21.27 hectares of land and 3 hectares of foreshore leased area in Lanang, Davao City.

In accordance with a Memorandum of Agreement (MOA) made and executed on December 29, 2011 by ACR and Aldevinco, ACR has limited rights as shareholder, which includes a sole interest in the right to receive in full, as a return of capital, the Lanang landholdings of CASI. ACR will not exercise any right as CASI shareholder such as, but not limited to, nominating any individual stockholder to the BOD of CASI, voting for any such nominee, or ratifying any act of the BOD of CASI.

ACR, having a sole interest in Lanang landholding and lost its power to participate in the financial and operating policy decisions of CASI by assigning its voting rights to Aldevinco, did not include the assets and liabilities of CASI in the 2013 consolidated financial statements but recognizes only its investment in CASI as part of the "Investments in real estate" account representing CASI's Lanang property. Also, in 2013, ALC reclassified a model house and building improvements from "Other noncurrent assets" account to the "Investments in real estate" account amounting to ₱5 million.

In 2014, CASI filed with the Bureau of Internal Revenue (BIR) and notified the SEC regarding the shortening of its corporate life until March 31, 2014. As a result, ACR received the Lanang property of CASI as liquidating dividend amounting to ₱1,226 million. The transaction costs incurred such as taxes and processing fees to transfer the Lanang property to ACR's name totaling ₱49 million were capitalized as part of "Investments in real estate". Also, ACR incurred input VAT amounting to ₱103 million in 2014 arising from this transaction (see Note 15).

Collateral
Land and buildings and improvements with a carrying amount of ₱125 million as at December 31, 2014 and 2013 are subject to a mortgage trust indenture and serve as collateral for the long-term debt of ALC (see Note 18).

Fair Value
The fair values of Lanang Property and ALC Property, Batangas Project and Laguna Project amounted to ₱1,226 million and ₱599 million based on appraisal of the properties by an independent third party appraiser in 2011 and 2013, respectively. The Group assessed that there were no significant changes in fair values from last appraisal dates up to December 31, 2014 and 2013. The fair values were determined by an independent firm of appraisers using market value approach in previous years. The fair value represents the amount at which the assets could be exchanged between knowledgeable parties in an arm's length transaction at the date of valuation.

11. Investments in Associates

	Percentage of Ownership			
	2014	2013	2014	2013
At equity:				
Acquisition costs:				
Indophil	2.42	2.42	₱1,315,533,080	₱1,315,533,080
RCPHI	31.24	31.24	80,851,701	80,851,701
T'boli Agro-Industrial Development, Inc.	22.32	22.32	66,193,299	66,193,299
Aviana Development Corporation (ADC)	32.80	32.80	4,983,000	4,983,000
Duta, Inc.	30.00	30.00	13,725,000	13,725,000
			1,481,286,080	1,481,286,080
Accumulated equity in net losses:				
Balances at beginning of year			(100,920,763)	-
Equity in net losses for the year (see Note 27)			(1,279,357)	(100,920,763)
Balances at end of year			(102,200,120)	(100,920,763)
Accumulated impairment loss -				
Balances at beginning and end of year			(160,770,000)	(160,770,000)
			₱1,218,315,960	₱1,219,595,317

Indophil

On December 23, 2010, the Parent Company purchased 29,149,000 shares of Indophil in the amount of ₱1,316 million. Indophil shares are listed in the Australian Securities Exchange until January 29, 2015.

On December 11, 2011, Alsons Power Holdings Corporation (APHC), also a company under the Alcantara Group, entered into a placement agreement (the Agreement) with Indophil to subscribe to Indophil shares in two tranches, 66,666,667 shares in Tranche 1 and 141,041,667 shares in Tranche 2. On December 26, 2011, APHC incorporated APIC as a wholly owned subsidiary. On December 29, 2011, APIC completed the Tranche 1 placement. Accordingly, APIC was issued with 66,666,667 shares representing 6.28% of Indophil's issued shares of stock, bringing the effective ownership of the Alcantara Group to 9.37%. On the same date, Mr. Nicasio Alcantara, a Director of Aldevinco, APIC and Alcorp, was appointed to Indophil's BOD as a Nonexecutive Director (Indophil has five nonexecutive directors out of seven directors). On December 30, 2011, APIC, Alcorp and ACR entered into an Agreement for the Joint Voting of Indophil shares, which defines the basic principles governing their conduct as common shareholders of Indophil and the exercise of their respective voting rights therein.

On February 6, 2012, APIC completed the Trache 2 placement making the Alcantara Group the largest shareholder of Indophil at 19.99%.

Due to these developments in investments of the Alcantara Group in Indophil, ACR has concluded that it has significant influence over Indophil. Accordingly, ACR treats its investment in Indophil as "Investment in associate" using the equity method in the consolidated financial statements. The Group has determined that the acquisition cost of Indophil includes goodwill amounting to ₱785 million.

On January 23, 2015, Indophil implemented the Scheme of Arrangement between APIC and Indophil shareholders wherein APIC acquired all the outstanding shares from existing shareholders of APIC. Accordingly, Indophil became a subsidiary of APIC starting in 2015. Indophil shares were delisted in the Australian Securities Exchange effective January 30, 2015.

The financial information of Indophil as at and for the years ended December 31, 2014 and 2013 are as follows:

	2014		2013	
	(Amounts in Thousands)			
Current assets	AUD208,476	₱7,548,916	AUD216,162	₱8,529,342
Noncurrent assets	169,232	6,127,891	189,906	7,493,330
Current liabilities	5,846	211,684	3,018	119,085
Noncurrent liabilities	2,565	92,879	149	5,879
Revenue	17,933	707,636	18,804	743,636
Income (loss) before income tax	1,216	47,983	(102,149)	(4,039,657)
Income (loss) after income tax	(1,320)	(52,087)	(105,452)	(4,170,279)

** Financial information of Indophil is presented at Australian Dollar (AUD). Balance sheet and profit and loss accounts were translated to Philippine peso using closing exchange rate of ₱36.21 and average exchange rate of ₱40.05 in 2014, respectively and ₱39.46 and ₱39.55 in 2013, respectively.*

Summarized financial information of Indophil, a significant associate and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	2014	2013
	(Amounts in Thousands)	
Current assets	₱7,548,916	₱8,529,342
Noncurrent assets	6,127,891	7,493,330
Current liabilities	(211,684)	(119,085)
Noncurrent liabilities	(92,879)	(5,879)
Equity	13,372,244	15,897,708
Equity interest of Parent Company	2.42%	2.42%
Share in net assets of Indophil	323,608	384,725
Goodwill	784,750	784,750
Translation adjustments	104,975	45,137
Carrying value of investment in Indophil	₱1,213,333	₱1,214,612

The market value per share of Indophil in the Australian Securities Exchange is AUD$ 0.295 and AUD$ 0.165 as at December 31, 2014 and 2013, respectively.

Aviana

On March 21, 2013, Aldevinco and ACIL (collectively referred to as "AG") and Ayala Land (Ayala Land) entered into a joint venture agreement, where Ayala Land shall own 60% and AG shall own 40% of the outstanding capital stock of Aviana Development Corporation (ADC) to undertake the development of the Lanang property of ACR in Davao City. On September 17, 2013, ADC was incorporated as a joint venture corporation. ACR has subscribed to the 296 preferred shares and 32 common shares for 32.8% ownership in ADC. Accordingly, ACR treats its investment in ADC as "Investment in associate". As at March 27, 2015, ADC has not yet started its commercial operations.

ACR intends to transfer the Lanang property to ADC as part of its capital contribution in 2015.

12. Property, Plant and Equipment

As at December 31, 2014:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard & Desulfurization Equipment	Land, Buildings and Leasehold Improvements	Machinery and Other Equipment	Construction in Progress	Cumulative Translation Adjustments	Total
Cost							
Balances at beginning of year	₱7,922,079,384	₱4,416,461,487	₱718,340,364	₱313,685,061	₱3,648,617,136	(₱2,457,724,793)	₱14,561,458,639
Additions	152,416,295	3,044,493	35,471,828	32,974,276	7,329,285,513		7,553,192,405
Adjustment on decomissioning liability (see Note 19)	(7,887,145)	–	–	–	–	–	(7,887,145)
Disposals	(148,479,471)	(2,334,712)	(28,856)	(9,381,422)	–	–	(160,224,461)
Reclassifications	5,417,074	–	64,502,868	–	(69,919,942)	–	–
Cumulative translation adjustments	–	–	–	–	–	11,052,612	11,052,612
Balances at end of year	7,923,546,137	4,417,171,268	818,286,204	337,277,915	10,907,982,707	(2,446,672,181)	21,957,592,050
Accumulated Depletion, Depreciation and Amortization and Impairment Loss							
Balances at beginning of year	(5,399,130,496)	(3,387,250,902)	(31,283,032)	(241,943,609)	–	1,171,913,349	(7,887,694,690)
Depletion, depreciation and amortization for the year (see Note 25)	(504,035,379)	(213,354,051)	(63,589,128)	(25,647,902)	–	–	(806,626,460)
Disposals	148,225,845	2,116,690	12,786	9,162,335	–	–	159,517,656
Cumulative translation adjustments	–	–	–	–	–	(12,245,914)	(12,245,914)
Balances at end of year	(5,754,940,030)	(3,598,488,263)	(94,859,374)	(258,429,176)		1,159,667,435	(8,547,049,408)
Net Book Value	₱2,168,606,107	₱818,683,005	₱723,426,830	₱78,848,739	₱10,907,982,707	(₱1,287,004,746)	₱13,410,542,642

As at December 31, 2013:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard & Desulfurization Equipment	Land, Buildings and Leasehold Improvements	Machinery and Other Equipment	Construction in Progress	Cumulative Translation Adjustments	Total
Cost							
Balances at beginning of year	₱7,675,611,791	₱3,502,552,074	₱508,308,023	₱818,217,385	₱168,998,204	(₱3,134,317,766)	₱9,539,369,711
Additions	1,191,570,491	99,265,798	284,747,498	47,494,395	2,848,590,570	–	4,471,668,752
Adjustment on decomissioning liability (see Note 19)	3,264,462	–	–	–	–	–	3,264,462
Disposals	(134,940,257)	–	–	(8,597,642)	–	–	(143,537,899)
Disposal of a subsidiary (see Note 30)	–	–	(80,042,447)	(541,427,114)	(8,909,956)	–	(630,379,517)
Reclassifications	(813,427,103)	814,643,615	5,327,290	(2,001,963)	(4,541,839)	–	–
Reclassification from deferred project costs (see Note 15)	–	–	–	–	644,480,157	–	644,480,157
Cumulative translation adjustments	–	–	–	–	–	676,592,973	676,592,973
Balances at end of year	7,922,079,384	4,416,461,487	718,340,364	313,685,061	3,648,617,136	(2,457,724,793)	14,561,458,639
Accumulated Depletion, Depreciation and Amortization and Impairment Loss							
Balances at beginning of year	(5,789,224,326)	(2,476,574,328)	(41,221,341)	(462,797,629)	–	1,747,880,564	(7,021,937,060)
Depletion, depreciation and amortization for the year (see Note 25)	(436,357,384)	(217,374,865)	(8,611,758)	(36,741,630)	–	–	(699,085,637)
Disposals	134,365,972	–	–	7,047,744	–	–	141,413,716
Disposal of a subsidiary (see Note 30)	–	–	18,550,067	249,331,439	–	–	267,881,506
Reclassifications	692,085,242	(693,301,709)	–	1,216,467	–	–	–
Cumulative translation adjustments	–	–	–	–	–	(575,967,215)	(575,967,215)
Balances at end of year	(5,399,130,496)	(3,387,250,902)	(31,283,032)	(241,943,609)	–	1,171,913,349	(7,887,694,690)
Net Book Value	₱2,522,948,888	₱1,029,210,585	₱687,057,332	₱71,741,452	₱3,648,617,136	(₱1,285,811,444)	₱6,673,763,949

Construction in progress in 2014 and 2013 represents the total accumulated costs incurred for the construction of Phase 1 of Sarangani's power-generating project "SM 200". SM 200 is 210MW coal-fired power plant project in Maasim, Sarangani Province with a total project cost of ₱14 billion and is expected to commence operation in September 2015 (see Note 1).

The capitalized borrowing costs are disclosed in Note 18 to the consolidated financial statements.

The capitalized asset retirement costs, net of accumulated depreciation, amounted to ₱15 million in 2013 (nil in 2014).

Property, plant and equipment with a net book value of ₱512 million and ₱812 million as at December 31, 2014 and 2013, respectively, are mortgaged as collateral for the long-term debt of SPPC and WMPC (see Note 18).

WMPC recognized ₱4 million in 2012 as income presented under "Income from insurance claims" account its claim for reimbursement of losses arising from a machinery breakdown, which was collected in full in 2013 (see Note 27).

The Group has fully depreciated property, plant and equipment still used in the operations with cost and corresponding accumulated depreciation of ₱1,976 million and ₱1,962 million as at December 31, 2014 and 2013, respectively.

13. Available-for-sale Financial Assets

AFS financial assets primarily consist of investments in equity securities which are listed in the Philippine Stock Exchange. Movements of AFS financial assets are as follows:

	2014	2013
Acquisition Costs:		
Balances at beginning of year	₱27,108,103	₱28,898,872
Reclassification from trade receivables (see Note 8)	148,176,395	–
Disposal during the year	–	(1,790,769)
Balances at end of year	175,284,498	27,108,103
Cumulative Unrealized Gain (Loss) on Changes in Fair Value:		
Balances at beginning of year	28,754,589	35,495,598
Fair value changes recognized in OCI	(86,998,124)	(6,741,009)
Balances at end of year	(58,243,535)	28,754,589
	₱117,040,963	₱55,862,692

14. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation cash-generating units consisting of the operations of SPPC and WMPC.

The carrying amount of goodwill allocated to SPPC and WMPC amounted to ₱1,002 million and ₱995 million as at December 31, 2014 and 2013, respectively. The movement during the year is due to the effect of foreign exchange rate changes from ₱44.40/$1 as at December 31, 2013 to ₱44.72/$1 as at December 31 2014 used in translating the amount of goodwill allocated to SPPC and WMPC from their functional currency of U.S. dollars to the Group's functional currency of Philippine peso (see Note 2).

Goodwill is subject to annual impairment testing. The recoverable amounts of the operations of SPPC and WMPC have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management and BOD.

Key assumptions used in value-in-use calculations
The calculation of value-in-use for both cash-generating units are most sensitive to the following assumptions explained as follows:

Discount rates. Discount rates reflect management's estimate of the risks specific to the cash-generating unit. The discount rate used for the cash-generating unit is based on weighted average cost of capital. This rate was further adjusted to reflect the market assessment of any risk specific to the generating unit for which estimates of cash flows have not been adjusted. The discount rates used were 9.09% and 9.79% in 2014 and 2013, respectively.

Terminal values. Terminal values represent the market values of the power plant complexes upon disposal. In 2014, management changed the assumption on the expected timing of disposal from being at the end of ECA period to 10 years after the ECA period. The terminal values included in the value-in-use computation as at December 31, 2014 amounted to ₱224 million ($5 million) and ₱402 million ($9 million) for SPPC and WMPC, respectively. On the other hand, value-in-use computation as at December 31, 2013 included terminal values of ₱1,243 ($28 million) and ₱2,531 million ($57 million) for SPPC and WMPC, respectively.

Consumer price index estimates. The assumptions used for consumer price index are 1% in 2014 and 2013 for US dollar-denominated billings. On the other hand, assumptions used for Philippine peso-denominated billings are 3.00% in 2014 and 2013.

Exchange rate inflation. The assumption used to determine foreign exchange rate is appreciating U.S. dollar of 1.00% every year in 2014 and 2013.

Sensitivity to Changes in Assumptions
With regard to the assessment of value-in-use of the CGUs, management believes that a reasonably possible change in the terminal values assumptions would cause the carrying value of the CGUs to materially exceed their recoverable amount.

15. Other Assets

Prepaid Expenses and Other Current Assets

	2014	2013
Input VAT	₱189,155,056	₱119,510,603
Creditable withholding taxes	61,406,425	66,227,142
Prepayments and others	76,103,576	50,490,780
	₱326,665,057	₱236,228,525

Other Noncurrent Assets

	2014	2013
Mining rights and deferred exploration costs	₱229,884,041	₱223,815,832
Deferred project costs	225,271,124	180,755,986
Deposits (see Note 18)	98,611,384	28,500,000
Deferred oil exploration costs	63,372,934	63,372,934
Computer software	24,882,924	16,001,808
Deferred financing costs	17,593,143	167,475,759
Others	5,186,210	8,022,673
	664,801,760	687,944,992
Less provision for impairment loss	63,372,934	63,372,934
	₱601,428,826	₱624,572,058

Mining Rights and Deferred Exploration Costs
In 1997, Aldevinco entered into a Mineral Production Sharing Agreement (MPSA) with the Republic of the Philippines for the exploration, sustainable development and commercial utilization of mineral deposits covering 1,547.32 hectares in the Municipalities of Nabunturan and Maco in Compostela Valley (the Manat Claims).

In 1999, Aldevinco and SECO entered into a joint venture (the Joint Venture), for the purpose of prospecting, exploring, and developing and mining the Manat Claims. Under the Joint Venture Agreement, SECO shall conduct exploration works on the Manat Claims. SECO's participating interest shall be (a) 25% after completion of certain work program and/or incurring total expenditures of US$1,000,000; and (b) 50% after completion of certain work program and/or incurring total expenditure of US$2,250,000. As soon as SECO shall have earned 50% participating interest, SECO and Aldevinco shall register the joint venture as a partnership with the SEC to qualify it to hold legal title to the Manat Claims and other properties acquired by the Joint Venture.

In 2007, ACRMC acquired Aldevinco's 75% participating interest in the Joint Venture for ₱195 million. As at December 31, 2014 and 2013, the participating interests of ACRMC and SECO in the Joint Venture are 75% and 25%, respectively.

Deferred exploration costs pertain to expenses incurred by ACRMC for the mineral deposits in the Manat Claims. Exploration costs incurred amounted to ₱35 million and ₱29 million as at December 31, 2014 and 2013, respectively. As at March 27, 2015, the Manat MPSA is still in the exploration phase.

Deferred Project Costs
Deferred project costs are external and incremental direct internal costs related to the Group's energy and power and other development projects. Costs incurred are initially recorded as part of noncurrent assets and will subsequently be reclassified to construction-in-progress under "Property, plant and equipment" account once the project reaches certain milestone. Deferred project costs pertain to the following ongoing projects:

a. *ZAM 100.* ZAM 100 is a coal-fired power plant project with a 100MW capacity in San Ramon, Zamboanga City (see Note 1). As at December 31, 2014 and 2013, costs incurred for this project amounted to ₱225 million and ₱188 million, respectively.

b. *SM 200.* SM 200 is a coal-fired power plant project with a 200MW capacity in Maasim, Sarangani. Notice to proceed to commence the relevant subcontract works in accordance with EPC contract was issued to the contractor on December 28, 2012. Project costs incurred as at December 31, 2012 amounting to ₱644 million was transferred to construction-in-progress in 2013 (see Note 12). This transaction is treated as non-cash investing activity in the 2013 consolidated statement of cash flows.

c. *Siguil.* Siguil hydro powerplant project is a 16.7 MW run-off river with three cascades along Siguil River in Sarangani Province. The project is composed of a non-overflow concrete gravity dam. Its hydrology validation study is on-going and the DOE registration requirements have been completed. As at December 31, 2014 and 2013, costs incurred for this project pertains mainly to administrative costs, which were recognized as outright expenses.

d. *Others.* Other projects also include the Guam Coal project which was fully provided with allowance for impairment loss. Accumulated provision for impairment loss amounted to ₱14 million as at December 31, 2014 and 2013. Provision for impairment loss recognized amounted to ₱3 million in 2013 and 2012 and which is presented under "General and administrative expenses" account in the consolidated statements of income (see Note 23).

Computer Software

This account pertains to costs incurred to acquire SAP ERP Financials (SAP) which are being used by CHC and its subsidiaries. Movements of this account are shown below:

	2014	2013
Cost		
Balances at beginning of year	₱19,812,630	₱14,914,552
Additions	16,277,678	3,701,167
Translation adjustments	(82,613)	1,196,911
Balances at end of year	36,007,695	19,812,630
Accumulated Amortization		
Balances at beginning of year	3,810,822	–
Amortization (see Note 25)	7,233,035	3,642,114
Translation adjustments	80,914	168,708
Balances at end of year	11,124,771	3,810,822
Net Book Value	₱24,882,924	₱16,001,808

Deferred Financing Costs

As at December 31, 2014 and 2013, the debt issue costs incurred by the Company amounted to ₱229 million. The debt issue costs pertain to the documentary stamp taxes, mortgage fees, legal and other fees incurred by the Company in relation to the Omnibus Loan and Security Agreement (OLSA) dated December 12, 2012. Upon drawdown from the loan facility covered by the OLSA, a portion of the debt issue costs shall be allocated to, and deducted from, the principal drawn amount to determine the carrying value of the loan. The debt issue costs allocated to the undrawn facility is presented as "Deferred financing costs". The allocation shall be based on the amount of the principal drawn over the total facility. As at December 31, 2014 and 2013, total amount drawn from the facility amounted to ₱8,586 million and ₱2,500 million. Debt issue costs allocated to drawn facility in 2014 and 2013 amounted to ₱150 million and ₱62 million were presented against long-term debt (see Note 18).

Deferred financing costs as at December 31, 2014 and 2013 are shown below:

	2014	2013
Debt issue costs incurred at beginning of year	₱229,057,135	₱90,112,519
Additions during the year	–	138,944,616
Debt issue costs incurred at end of year	229,057,135	229,057,135
Less amount allocated to drawn facility	149,882,616	61,581,376
Deferred financing costs	₱17,593,143	₱167,475,759

Deposits

In 2013, ACR paid ₱27.5 million, representing 50% downpayment, to a certain individual for the purchase of land in Davao with related transaction costs amounting to ₱2.8 million and ₱1.0 million in 2014 and 2013, respectively.

Deferred Oil Exploration Costs

ACR, together with other oil exploration companies, has participated in oil exploration activities in prior years. Deferred oil exploration relates to the following areas:

	2014	2013
Onshore Mindoro - GSEC No. 81	₱43,137,619	₱43,137,619
Northwest Malampaya - GSEC No. 86	5,959,900	5,959,900
Sibutu Block - GSEC No. 87	5,045,019	5,045,019
Others	9,230,396	9,230,396
	63,372,934	63,372,934
Less provision for impairment loss	63,372,934	63,372,934
	₱–	₱–

There have been no activities in various exploration areas for some time and management estimates that the carrying amounts of deferred oil exploration costs may no longer be recoverable.

16. Accounts Payable and Other Current Liabilities

	2014	2013
Trade	₱581,408,965	₱511,255,472
Accrued expenses (Notes 17 and 18)	351,596,254	217,298,346
Payable to customers	301,443,388	102,283,835
Output tax and withholding tax payable	111,431,676	54,079,075
Advances from customers	23,966,412	25,525,647
Other current liabilities	94,371,909	69,579,232
	₱1,464,218,604	₱980,021,607

Trade payables are noninterest-bearing and are normally on a 60 to 75 days term.

Accrued expenses represent accruals for vacation and sick leaves, interest, overhead fees and utilities. Accrued expenses are normally settled within a year

In December 2014, the Group determined that the energy fees billed to and collected from customers for the period May 2013 to December 2014 were overstated. The restatement resulted in decrease in energy fees by ₱102 million, decrease in provision for deferred income tax by ₱31 million, decrease in consolidated net income by ₱72 million in 2013, decrease in earnings per share by ₱0.01 per share and recognition of "Payable to customers" amounting to ₱102 million as at December 31, 2013. Retained earnings as at January 1, 2014 was also adjusted for the impact of the adjustment in the 2013 net income.

Other accrued expenses and other current liabilities are noninterest-bearing and have an average term of 30 days.

17. Loans Payable

Parent Company
In February 12, 2013, ACR obtained peso and dollar-denominated unsecured short-term loans from APHC amounting to ₱249 million and US$12.0 million (₱501 million), respectively, to finance additional subscription in Sarangani. The borrowings are payable on February 7, 2014 and bear a fixed rate of 6% per annum.

Transaction costs related to the loan amounting to ₱4 million are presented as contra account to the principal balance and are amortized over the term of the loan using effective interest rate. Amortization of transaction costs amounting to ₱0.4 million in 2014 and ₱3.5 million in 2013 is presented as part of "Finance charges" (see Note 26).

Outstanding loans payable to APHC amounted to ₱794 million as at December 31, 2013, net of unamortized transaction cost of ₱0.4 million. The loans payable were fully settled in 2014.

MPC
In 2014, MPC availed of a short-term, unsecured bank loans amounting to ₱260 million ($5.8 million). The loans were availed for the purpose of servicing MPC's operating requirements, collection and distribution of electricity. Prevailing market rates of the loans ranged from 4.0% to 4.3%. Outstanding loan balance amounted ₱260 million as of December 31, 2014.

18. Long-term Debt

This account consists of U.S. dollar and Philippine peso-denominated obligations as follows:

	2014	2013
Parent Company		
U.S. dollar-denominated debt -		
Four-year floating rate corporate note	₱3,286,920,000	₱–
Four-year fixed rate corporate note	58,141,114	426,146,391
Four-year fixed rate note	–	577,135,000
Philippine peso-denominated debt:		
Five-year fixed rate restructured debt	27,699,000	49,199,000
Five-year fixed rate accommodated and restructured debt	–	6,164,556

(Forward)

	2014	2013
CHC's Subsidiaries		
WMPC		
Three and half-year U.S. dollar-denominated floating rate note	₱204,434,286	₱405,897,116
Seven-year U.S. dollar-denominated floating rate note	19,165,714	44,395,000
SPPC		
Seven-year U.S. dollar-denominated floating rate note	100,620,000	156,968,075
Three and half-year U.S. dollar-denominated floating rate note	52,173,331	81,390,833
MPC		
Six-year peso-denominated fixed rate debt	846,450,000	900,000,000
ALC		
Five-year peso-denominated fixed rate restructured debt	53,564,035	85,644,035
Sarangani		
Thirteen and half year peso-denominated floating rate debt	8,585,696,599	2,500,279,215
MADE		
Five-year peso-denominated fixed rate restructured debt	53,706,125	85,826,125
	13,288,570,204	5,319,045,346
Less unamortized transaction costs	349,878,386	128,550,305
	12,938,691,818	5,190,495,041
Less current portion	590,427,513	454,022,139
Noncurrent portion	₱12,348,264,305	₱4,736,472,902

Movement in the unamortized transaction costs is as follows:

	2014	2013
Balances at beginning of year	₱128,550,305	₱73,180,108
Additions	310,988,013	88,718,073
Amortization (see Note 26)	(89,659,932)	(33,347,876)
Balances at end of year	₱349,878,836	₱128,550,305

Parent Company

The loans of the Parent company consist of the following:

a. *US$73.5 million Loan Facility Agreement* - On October 24, 2014, the Parent Company entered into a US$73.5 million Loan Facility Agreement with various banks with an intention to finance payment of the Parent Company's existing indebtedness and to fund general business expenses and working capital requirement. Total proceeds from the loan amounted to US$70 million in 2014. The loan bears interest equivalent to a percentage rate per annum which is the aggregate of the applicable Margin and LIBOR. The following are the salient features of the loan:

   - *Maturity Date* - Principal is payable in full at maturity which is three years from the date of the loan facility agreement.

- *Mandatory Prepayment* - Prior to maturity date, the Parent Company shall pay the loan, in full or in part (as applicable), upon happening of any of the following:
  - Change of control when: (i) AC, APHC and ADIC (collectively called "Sponsors" in the loan facility agreement) collectively ceasing to legally and beneficially own, directly or indirectly at least 51% of the issued share capital of the Company; (ii) Sponsors collectively ceasing to have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (A) cast, or control the casting of, more than 51% of the maximum number of votes that might be cast at a general meeting of the Parent Company; (B) appoint or remove all, or the majority of, the directors or other equivalent officers of the Parent Company; (C) give directions with respect to the operating and financial policies of the Parent Company with which the directors or other equivalent officers of the Parent Company are obliged to comply; (iii) the Parent Company ceasing to legally and beneficially own, directly or indirectly (A) 100% of the issued share capital of CHC; and (B) at least 20% of the issued share capital of APHI and (iv) CHC ceasing to legally and beneficially own, directly or indirectly (A) at least 80% of the issued share capital of APHI; and (B) at least 51% of the issued share capital of MPC.

  - Material asset sale which means: (i) any sale, transfer or other disposal of shares in Sarangani by the Parent Company to Toyota, so long as the consideration received is solely used to finance other power projects in material subsidiaries which the Parent Company controls and of which the Parent Company beneficially owns, directly or indirectly, more than half the issued share capital; and (ii) any sale, lease, transfer or other disposal not permitted by the loan facility agreement.

- The loan has embedded derivatives arising from voluntary prepayment option where the Parent Company, may at its option, prepay the loan in full or in part, together with any accrued interest thereon, subject to the following conditions: (i) the Parent Company shall give written notice to The Bank of New York Mellions, Singapore Branch not less than 10 days prior to proposed prepayment date; and (ii) the loan may be prepaid only after the last day of the period from and including the date of the loan facility agreement to and including the date falling 150 days from and including the date of the loan facility agreement. The embedded derivative in the loan was assessed by the Parent Company to be closely related, thus was not qualified for bifurcation based on the provisions of PAS 39.

- The Parent Company shall maintain the following financial ratios:

  - Leverage ratio, ratio of total debt to tangible net worth, in respect of any relevant period shall not at any time exceed 2.33:1.00.

  - EBITDA/ interest ratio in respect of any relevant period shall not be less than the ratio set out against the corresponding calculation date below:

Calculation Date	Ratio
Each Calculation Date falling between the period commencing on the date of this Agreement and ending on and including 31 December 2014	4.50:1.00
Each Calculation Date falling after 31 December 2014 until and including 31 December 2015	3.50:1.00
Each Calculation Date falling after 31 December 2015	2.50:1.00

As required in the loan agreement, the Parent Company deposited ₱48.2 million into an interest reserve account in 2014 (see Note 15). Throughout the term of the loan, the interest reserve account is required to have a balance of not less than the aggregate amount of interest falling due for payment in the next interest payment date.

In 2014, the transaction costs representing fees, taxes and other charges incurred in obtaining the loan amounting to ₱155 million were deferred and amortized over 36 months using the effective interest rate. These transaction costs are presented as contra account to the principal balance of the loan. Amortization of transaction costs amounting to ₱11 million in 2014 is presented as part of "Finance charges" (see Note 26).

Outstanding loan from the loan facility agreement amounted to ₱3,143 million (net of unamortized transaction costs of ₱144 million) as at December 31, 2014.

b. *US$65 million Loan Facility Agreement* - On May 24, 2012, the Parent Company entered into a US$65 million Loan Facility Agreement with APHC to finance the construction of the Sarangani Project (see Note 1). The loan bears 6% interest payable semi-annually starting six months from the initial drawdown date up to maturity date of the loan. The following are the salient features of the loan:

- *Maturity Date* - Principal is payable in full at maturity which is the earliest of (i) 4 years from date of initial drawdown; (ii) commercial operation date of Sarangani; or, (iii) the date of issuance of the takeover certificate to Sarangani for the project. The Parent Company assessed that the commercial operation date of Sarangani will be the earliest among the three dates. The commercial operation of Sarangani is expected to commence in August 2015.

- *Mandatory Prepayment* - Prior to maturity date, the Parent Company shall pay the loan, in full or in part (as applicable), within fifteen (15) days from the happening of any of the following: (i) a follow-on offering, payment or subscription transaction involving new common shares of Parent Company; (ii) initial public offering or trade sale of the investee companies of Parent Company, which shall include Sarangani or any investee that may in the future, be created or owned by Parent Company; or (iii) dividends are received by Parent Company from the investee companies mentioned in (ii), unless APHC may allow Parent Company to use dividends received by it to service its existing loan obligations, instead of a mandatory prepayment on the loans in this Agreement.

- The loan has embedded derivatives as follows:
  - *Voluntary Prepayment Option* – the Parent Company, may at its option, prepay the loan in full or in part, together with any accrued interest thereon, subject to the following conditions: (i) the Parent Company shall give APHC written notice not less than 30 days prior to proposed prepayment date; (ii) any prepayment shall be made on an interest payment date; (iii) each partial prepayment shall be for a minimum amount of ₱100 million and in integral multiples thereof; (iv) any amount may not be reborrowed; and (v) any amount prepaid shall be free and clear of, and without deduction for or on account of taxes.

  - *Conversion and Exchange Options* – In lieu of cash settlement upon mandatory and voluntary prepayment, APHC has the option to convert and/or exchange the outstanding principal amount including any accrued interest, anytime beginning 12 months from initial drawdown date, to the Parent Company's common shares and/or Sarangani common shares. With respect to the conversion of the loan to Parent

Company's common shares, the conversion price shall be determined using the 12-month volume weighted average price of Parent Company common shares immediately prior to the date of the Loan Facility Agreement and in which case shall give APHC of up to a maximum of 20% effective voting shares in Sarangani. Conversely, with respect to the exchange of loan to Sarangani common shares, the exchange price shall be based on the par value of Sarangani's common share and in which case shall give APHC of up to a maximum of 20% interest in Sarangani's issued and outstanding common shares at the date when the exchange option is exercised.

- The amount due under mandatory and voluntary prepayment shall be equivalent to such amount that will result to APHC receiving yield to redemption of 13.5% based on the principal amount of the loan to be prepaid.

- *Negative Covenants* – ACR is subject to certain negative covenants which require prior approval of APHC for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. In addition, ACR is also required to maintain certain financial ratios.

On May 24, 2012, the Exchange Option under APHC-ACR Loan Facility Agreement has been assigned by APHC to its Lender Bank in accordance with the Omnibus Loan and Security Agreement (OLSA) entered into by APHC with the local bank.

The embedded derivatives in the loan were assessed by the Parent Company as for bifurcation based on the provisions of PAS 39 and thus, were accounted for separately as single compound derivative. The Parent Company determined the value of the compound embedded derivatives using the binomial model which is a standard option pricing model. The Parent Company recognized derivative liability from compound embedded derivatives amounting to ₱28 million and ₱38 million as at December 31, 2014 and 2013, respectively. Mark-to market gain of ₱10 million in 2014 and mark-to market loss of ₱16 million in 2013 are recognized in the consolidated statements of income as component of "Other income (charges) " (see Note 27). The derivative liability is presented as part of the current liabilities in the consolidated balance sheets.

The transaction costs representing fees, taxes and other charges incurred in obtaining the loan amounting to ₱77 million were deferred and amortized over 36 months using effective interest rate. These transaction costs are presented as contra account to the principal balance of the loan. Amortization of transaction costs amounted to ₱44 million and ₱22 million in 2014 and 2013, respectively, and is presented as part of "Finance charges" (see Note 26).

In 2014 and 2013, additional drawdown by the Parent Company amounted to US$1.3 million (₱58 million) and US$2.5 million (₱110 million), respectively. No related transaction cost was recognized in 2014 and 2013.

In compliance with PAS 39, the loan was initially recognized at fair value. Accretion on the loan using effective interest rate amounted to ₱6 million and ₱2 million in 2014 and 2013, respectively, were recognized to bring the loan at the amount at the expected settlement date (see Note 26).

Loans payable to APHC amounted to ₱58 million and ₱380 million (net of unamortized transaction costs of ₱44 million) as at December 31, 2014 and 2013, respectively.

As at December 31, 2014 and 2013, the Parent Company is in compliance with the terms of its loan covenants.

c. On July 26, 2013, the Parent Company entered into a US$13 million loan agreement to finance the acquisition of the 40% of the capital stock of CHC from EGCO. The loan bears a fixed rate of 4.44% per annum, based on the outstanding principal, payable semi-annually in arrears.

   Transaction cost incurred in obtaining the loan amounting to ₱8 million were deferred and amortized over 48 months using the effective interest rate. Amortization of transaction costs amounted to ₱7 million and ₱1 million in 2014 and 2013, respectively, is presented as part of "Finance charges" (see Note 26). The loan was secured by collateral of the Parent Company's 0.8 million common shares and 1 million preferred shares of stock in CHC and assignment of dividends relating to the said shares of stock.

d. Short-term bank borrowings amounting to ₱145 million as at December 31, 2010, which bear annual interest using a base rate of 8% was approved for restructuring in December 2010. The creditor approved the restructuring and partial settlement of this loan as follows: (i) ₱85 million of which is restructured to be paid quarterly over five years until September 2015 with 6% interest per annum, and (ii) the balance is to be settled through dacion en pago.

   In October 2011, the compromise settlement agreement and the deed of assignment have been notarized. Accordingly, the restructured loan amounting to ₱85 million has been reclassified to long-term debt. Outstanding balance of restructured loan amounted to ₱28 million and ₱49 million as at December 31, 2014 and 2013, respectively.

e. Bank loans of ₱6 million as at December 31, 2013 which were accommodated for and on behalf of an affiliated Parent Company and were restructured in 2008, are payable in twenty (20) quarterly amortizations up to 2014 with annual interest rate fixed at 8%. The loan was paid in full in 2014.

f. Bank loans of ₱181 million as at December 31, 2012, which were accommodated for and on behalf of an affiliated company and were restructured in 2007, are payable in twenty seven (27) quarterly amortizations up to 2014 with interest rate of 3% over 90-day T-bill rate subject to quarterly repricing. The long-term debt is secured by a pledge of the Parent Company's 1.6 million shares of stock in CHC and all shares of stock in ACRMC. The bank loan was fully settled in 2013.

Accrued interest of the Parent Company's loans amounted to ₱33.9 million and ₱20.1 million as at December 31, 2014 and 2013, respectively (see Note 16).

CHC's Subsidiaries

WMPC. In 2008, WMPC obtained a U.S. dollar-denominated loan amounting to US$4 million from a local bank under the amended OLSA to finance the maturing obligations with the syndicate lender banks. The loan bears an annual interest rate equal to LIBOR plus 2% and is subject to quarterly repricing. These are payable on a quarterly basis up to August 14, 2015. Outstanding balance of this loan amounted to ₱19 million (US$0.4 million) and ₱44 million (US$1.0 million) as at December 31, 2014 and 2013, respectively.

On February 14, 2012, WMPC obtained additional US-dollar denominated loan amounting $16 million from a local bank representing the remaining balance of the term loan facility under the OLSA. The additional loan bears an annual interest rate equal to LIBOR plus 3.375% and is subject to semi-annual repricing. The additional loan is payable on a semi-annual basis up to

August 14, 2015. Outstanding balance of this loan amounted to ₱204 million (US$4.6 million) and ₱406 million (US$9.1 million) as at December 31, 2014 and 2013, respectively.

SPPC. On July 15, 2009, SPPC obtained a U.S. dollar-denominated loan amounting to US$9.0 million from a local bank under the OLSA to finance the maturing obligations with the syndicate lender banks. The loan bears an annual interest equal to LIBOR plus 1 year credit default swap and 2% per annum spread. The loan is payable on a quarterly basis up to July 15, 2016. Outstanding balance of this loan amounted to ₱101 million (US$2.3 million) and ₱157 million (US$3.5 million) as at December 31, 2014 and 2013, respectively.

On January 31, 2012, SPPC obtained additional US dollar-denominated loan amounting to $3.0 million from a local bank representing the remaining balance of the loan facility under the OLSA. The additional loan is subject to the same interest on the initial loan and is also payable on a quarterly basis up to July 15, 2016. Outstanding balance of this loan amounted to ₱52 million (US$1.2 million) and ₱81 million (US$1.8 million) as at December 31, 2014 and 2013, respectively.

Under the terms of the OLSAs, WMPC and SPPC are subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. In addition, WMPC and SPPC are also required to maintain certain financial ratios. As at December 31, 2014 and 2013, WMPC and SPPC are in compliance with the loan covenants.

The OLSA contains an embedded prepayment option where WMPC and SPPC may prepay the loan in whole or in part provided certain conditions are met, which include the following, among others:

- Each partial prepayment are in integral multiples of US$1 million;
- No prepaid amount may be re-borrowed; and
- The entity shall pay a prepayment penalty of one percent (1%) based on the amount of the principal to be prepaid.

WMPC and SPPC determined using the Binomial Model of valuation that the prepayment option is insignificant as at December 31, 2014 and 2013.

MPC. On July 15, 2013, MPC entered into a fixed interest rate long-term OLSA amounting to ₱900 million from a local bank. The loan is payable in 11 semi-annual principal amortizations beginning immediately at the end of August 16, 2014, the first year from loan draw down, up to August 16, 2019. Interest is computed as the sum of the spread and the applicable benchmark rate, based on outstanding facility amount, and calculated on the basis of the actual number of days elapsed in a year of 360 days. The fixed rate shall be subject to a floor rate of 6.25% per annum, excluding gross receipt tax. The interest is payable every six months reckoned from August 16, 2013, the initial draw down date.

On August 16, 2013, MPC made the first draw down on the loan amounting to ₱800 million. The remaining loan balance amounting to ₱100 million was fully drawn on October 31, 2013. MPC is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. MPC is also required to maintain certain financial ratios. As at December 31, 2014 and 2013, MPC is in compliance with the loan covenants.

The OLSA contains derivatives (prepayment option and interest rate floor from commitment date to drawdown date. MPC assessed that the embedded derivatives are not required to be separated from the facility (host contract) as at December 31, 2014.

Under the terms of the OLSAs, MPC, SPPC and WMPC shall provide collateral security which shall consist of mortgage on its property, plant and equipment, including assignment of their rights from the project agreements with NPC. The carrying amount of the property, plant and equipment mortgaged as collateral amounted to ₱493 million ($11 million) and ₱1,833 million ($41 million) as at December 31, 2014 and 2013, respectively (see Note 12).

Outstanding balance of the loan amounted to ₱846 million and ₱900 million as at December 31, 2014 and 2013 as at December 31, 2014 and 2013, respectively.

ALC
ALC's loan which is due in 2003 but extended while in the process of restructuring into a new long-term loan amounting to ₱184 million as at December 31, 2009, had undergone restructuring on November 2, 2010. The balance of the restructured loan amounted to ₱54 million and ₱86 million as at December 31, 2014 and 2013, respectively, and is due to be payable quarterly in five years. The restructuring of the loan does not warrant derecognition of the old financial liability and recognition of a new one since there is no substantial modification on the loan agreement. This loan bears an annual interest rate of 5% in 2014 and 2013.

The loan is collateralized by mortgage trust indenture and real estate mortgage on the ALC's land and buildings and improvements with carrying amount of ₱125 million as at December 31, 2014 and 2013 (see Note 10). Outstanding balance of the loan amounted to ₱54 million and ₱86 million as at December 31, 2014 and 2013 as at December 31, 2014 and 2013, respectively.

Sarangani
On December 12, 2012, Sarangani obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱9,300 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,600 million for the construction of the Phase 1 100-MW coal-fired power plant and its common or shared areas and facilities; and (2) Series 2 Loan in the principal amount of up to ₱700 million for the construction of the transmission line (see Note 1). Sarangani should pay interest semi-annually at the rate equal to the higher of (a) PDST-F benchmark bid yield for five-year treasury securities plus 3.5% spread per annum, or (b) 7.5% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, to be adjusted based on the higher of (a) interpolated PDST-F benchmark bid yield for eight and one-half (8 $^{1}/_{2}$)-year treasury securities plus 2.75% spread per annum, or (b) interest rate applicable on the initial borrowing.

Under the OLSA, Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes eight parcels of land registered in the name of KAED, and one parcel of land registered in the name of Sarangani. The nine parcels of land have an aggregate area of 297,000 square meters and comprise the plant site of the Project. Further, chattel mortgage shall consist of office and transportation equipment with a total value of ₱62 million. In addition to the collaterals, the shares of stocks in Sarangani registered under the names of ACR and TTC representing 100% of its outstanding capital stock have been pledged in favor of the collateral trustee.

Sarangani's long-term debt is shown below:

As at December 31, 2014:

	Series I	Series II	Total
Long-term debt	₱7,782,830,796	₱802,865,803	₱8,585,696,599
Less unamortized debt issue costs	154,681,103	38,131,850	192,812,953
	₱7,628,149,693	₱764,733,953	₱8,392,883,646

As at December 31, 2013:

	Series I	Series II	Total
Long-term debt	₱2,461,779,215	₱38,500,000	₱2,500,279,215
Less unamortized debt issue costs	35,145,800	23,547,535	58,693,335
	₱2,426,633,415	₱14,952,465	₱2,441,585,880

Interest expense and amortization of debt issue costs were capitalized as part of "Construction-in-progress" under the property and equipment account (see Note 12). The rates used to determine the amount of borrowing costs eligible for capitalization were 7.98% to 8.00% in 2014 and 7.96% to 7.99% in 2013, which are the effective interest rates of the specific borrowings. Accrued interest as at December 31, 2014 and 2013 amounted to ₱128 million and ₱37 million.

The following are the capitalized interest expense and amortization:

	2014	2013
Interest expense	₱677,657,271	₱113,445,812
Amortization of debt issue costs	15,762,998	2,888,041
	₱693,420,269	₱116,333,853

As at December 31, 2014 and 2013, Sarangani is in compliance with the terms of its loan covenant.

MADE
Principal amortizations of certain loans amounting to ₱281 million as at December 31, 2009 became due and demandable but have not been paid as at their due dates. In 2010, these ₱97 million loan were settled and the balance of ₱184 million was restructured to be payable quarterly in five years until 2015. Interest is fixed at 5% p. a. payable quarterly in arrears. The balance of the restructured loan amounted to ₱54 million and ₱86 million as at December 31, 2014 and 2013, respectively. The loan is collateralized by mortgage agreements on real estate properties of ALC (see Note 10).

19. Asset Retirement Obligation

Under their ECC, SPPC and WMPC have an obligation to decommission or dismantle its power plant complex at the end of the useful lives of the power plant assets. In this regard, SPPC and WMPC established a provision to recognize their estimated liability for the dismantlement of their power plant complex. Movements in asset retirement obligation follow:

	2014	2013
Balances at beginning of year	₱78,801,367	₱69,558,363
Effects of change in estimate and discount rate	(18,964,355)	3,264,462
Accretion (see Note 26)	7,332,562	5,978,542
Balances at end of year	₱67,169,574	₱78,801,367

The actual decommissioning cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment and/or actual time required in completing all decommissioning or dismantling activities.

The Company assesses the best estimate of cash flows required to settle the obligation on an annual basis. The changes in estimate resulted to a decrease in asset retirement obligation by ₱19 million in 2014 and an increase by ₱3 million in 2013.

20. Related Party Transactions

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

Affiliate refers to an entity that is neither a parent, subsidiary, nor an associate, but has stockholders common to the Group or under common control.

Transactions with related parties pertain mainly to cash advances and reimbursements of expenses. Outstanding related party balances are generally settled in cash. The table below shows the details of the Group's transactions with related parties.

Related Party		Advances	Due from Related Parties (see Note 8)	Terms	Conditions
Major stockholders	2014	₱179,218,128	₱2,626,965,900	30 days, noninterest-bearing	Partly secured, no impairment
	2013	1,337,417,112	2,899,051,932		
	2012	189,859,037	1,561,634,820		
Subsidiaries of major stockholders	2014	59,739,376	49,654,432	30 days, noninterest-bearing	Unsecured, no impairment
	2013	18,186,855	42,945,048		
	2012	36,163,212	26,626,478		
Affiliates	2014	29,869,688	268,070,204	30 days, noninterest-bearing	Unsecured, no impairment
	2013	91,621,071	266,017,408		
	2012	51,789,517	421,826,247		
Total	2014	₱268,827,192	₱2,944,690,536		
	2013	1,447,225,038	3,208,014,388		
	2012	277,811,766	2,010,087,545		

The outstanding advances to major stockholders include accommodated loans entered into by the Group in favor of the stockholders, which amounted to ₱54 million and ₱92 million as at December 31, 2014 and 2013, respectively.

The Parent Company guarantees the obligations of SPPC and WMPC with NPC under the Operational Performance Bonds in accordance with the terms and conditions of the ECAs and to answer for the liabilities that SPPC and WMPC may incur in connection with the said Performance Bonds.

Compensation of Key Management Personnel

	2014	2013	2012
Salaries and wages	₱38,398,515	₱46,225,562	₱43,836,816
Retirement benefits costs	3,510,296	1,478,007	1,966,864
	₱41,908,811	₱47,703,569	₱45,803,680

21. Equity

Capital Stock

	2014		2013	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Common stock - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred stock - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000
Common Shares				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
Preferred Shares				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(32,816,667)		(37,216,667)
		₱6,313,683,333		₱6,309,283,333

On May 24, 2011, SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.0 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.

b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares.

c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.

d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

On February 4, 2013, Alcorp subscribed 5,500,000,000 preferred shares with par value of ₱0.01 per share, from unissued authorized preferred shares of the Company. On the same date, Alcorp paid ₱13.8 million for 25% of subscription price of ₱55.0 million. As at December 31, 2014 and 2013, subscriptions receivable from Alcorp amounted to ₱32.8 million and ₱37.2 million, net of the 8% dividends declared for preferred shares in 2014 and 2013, respectively.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Activity	Authorized Common Shares	No. of Shares Issued	Issue/Offer Price
1993	Initial Public Offering	12,000,000,000	6,291,500,000	₱1
2011	Conversion of unissued common shares to redeemable preferred shares	(55,000,000)	–	–
		11,945,000,000	6,291,500,000	

As at December 31, 2014 and 2013, the Parent Company has 470 and 482 stockholders, respectively.

Retained Earnings

On May 4, 2012, the BOD approved the appropriation of ₱850.0 million of its retained earnings as at December 31, 2011, for its equity contributions to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2	Phase 1 of the 200 MW coal-fired power plant in Maasim Sarangani	₱400	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
IDPP 1 & 2	Rehabilitation of 108 MW diesel plant in Iligan City	200	2013
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

On March 28, 2014, the BOD approved additional appropriation of ₱850.0 million of the Parent Company's retained earnings as at December 31, 2013 for its equity contribution to the following projects:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
SM200 1 & 2	Phase 2 of the 200 MW coal-fired power plant in Maasim Sarangani	₱600	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2017
Siguil	Hydro-electric power in Maasim, Sarangani	35	2017
Bago	Hydro-electric power in Negros Occidental	15	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

The ₱200 million previously appropriated for IDPP 1 & 2 in 2012 has been reallocated to SM200 Phase 2.

The retained earnings are restricted from being declared as dividends to the extent of the appropriation for equity contribution to the foregoing projects.

The dates of declaration, record and payment of cash dividend amounting to ₱0.016 per share equivalent to ₱101 million in 2014 and 2013 payable to all stockholders are as follows:

Year	Date of Declaration	Date of Record	Date of Payment
2014	May 23, 2014	June 30, 2014	July 24, 2014
2013	March 21, 2013	May 23, 2013	June 14, 2013

Dividends on preferred shares amounting to ₱4 million in 2014 and 2013 were applied against the Parent Company's subscriptions receivable from Alcorp.

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱382 million and ₱595 million in 2014 and 2013, respectively.

The retained earnings is further restricted for dividend declaration to the extent of the following:

- Undistributed earnings of subsidiaries amounting to ₱222 million and ₱218 million as at December 31, 2014 and 2013, respectively.
- Mark-to-market gain on embedded derivatives amounting to ₱10 million in 2014

Other Equity Reserves – Acquisition of Non-controlling Interest

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in voting shares of CHC, increasing its ownership to 100%. Cash consideration paid on August 1, 2013 amounted to ₱528 million (US$12.16 million). The carrying value of the net assets of CHC was ₱2,456 million (US$38.97 million). Following is the schedule of additional interest acquired in CHC in 2013:

Carrying value of the additional interest in CHC	₱982,232,166
Cash consideration paid to non-controlling interest	(527,910,397)
Excess of book value of non-controlling interest acquired over acquisition cost	₱454,321,769

The excess of book value of non-controlling interest acquired over acquisition cost was recognized in equity as follows:

Absorbed cumulative translation adjustment from acquired non-controlling interest	₱308,841,072
Included as part of other equity reserves	145,480,697
	₱454,321,769

As at December 31, 2014 and 2013, other equity reserves consist of the following:

	2014				
	Remeasurement Gains (Losses) on Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Cumulative Translations Adjustments	Equity Reserves – Acquisition of Non-controlling Interest	Total
Balances at beginning of year	₱1,558,367	₱28,754,589	₱1,575,034,794	₱145,480,697	₱1,750,828,447
Actuarial gains, net of tax	3,929,480	–	–	–	3,929,480
Loss on fair valuation of AFS financial assets, net of tax	–	(86,998,124)	–	–	(86,998,124)
Translation adjustments	–	–	(54,755,323)	–	(54,755,323)
Balances at end of year	₱5,487,847	(₱58,243,535)	₱1,520,279,471	₱145,480,697	₱1,613,004,480

	2013				
	Remeasurement Gains (Losses) on Defined Benefit Plan	Unrealized Gains (Losses) on AFS Financial Assets	Cumulative Translations Adjustments	Equity Reserves – Acquisition of Non-controlling Interest	Total
Balances at beginning of year	(₱3,816,281)	₱35,495,598	₱1,093,631,739	₱–	₱1,125,311,056
Acquisition of non-controlling interest	–	–	308,841,072	145,480,697	454,321,769
Disposal of a subsidiary	9,565,251	–	–	–	9,565,251
Actuarial losses, net of tax	(4,190,603)	–	–	–	(4,190,603)
Loss on fair valuation of AFS financial assets, net of tax	–	(6,741,009)	–	–	(6,741,009)
Translation adjustments	–	–	172,561,983	–	172,561,983
Balances at end of year	₱1,558,367	₱28,754,589	₱1,575,034,794	₱145,480,697	₱1,750,828,447

Earnings Per Share (EPS) Attributable to Equity Holders of the Parent

	2014	2013 (Note 16)	2012
Net income attributable to equity holders of the parent	₱359,040,865	₱395,274,191	₱509,115,794
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.057	₱0.063	₱0.081

22. Cost of Services

The Group's cost of services from continuing operations are as follows:

	2014	2013	2012
Spare parts	₱2,510,512,188	₱1,175,951,709	₱169,476,985
Depletion, depreciation and amortization (see Note 25)	779,980,202	657,826,244	580,630,542
Insurance expense	76,337,222	62,985,643	46,366,771
Personnel costs (see Notes 24 and 28)	66,996,869	55,142,427	45,811,998
Repairs and maintenance	48,536,775	16,219,386	15,570,586
Contracted services (see Note 34)	2,901,365	2,759,941	3,432,544
Property administration	1,992,553	1,947,062	2,189,303
Purchased power and utilities (see Note 34)	–	335,754	279,777
Others	49,676,200	5,308,870	11,520,183
	₱3,536,933,374	₱1,978,477,036	₱875,278,689

23. General and Administrative Expenses

The Group's general and administrative expenses from continuing operations are as follows:

	2014	2013	2012
Personnel costs (see Notes 24 and 28)	₱130,983,353	₱121,986,495	₱89,614,782
Taxes and licenses	112,095,106	29,585,818	37,126,682
Outside services	49,375,668	55,575,128	44,548,238
Depreciation and amortization (see Note 25)	34,395,784	22,802,261	13,412,671
Customer relations	19,146,369	11,225,289	10,546,587
Transportation and travel	17,386,575	22,013,011	15,285,526
Deficiency taxes	16,972,467	–	–
Utilities	15,851,149	58,529,586	55,397,498
Telephone, telegraph and postage	8,723,736	5,898,156	4,345,382
Supplies	7,348,282	2,313,423	1,256,534
Directors and executive fees and bonuses	3,099,000	6,546,843	6,571,947
Commissions	1,089,983	1,391,839	3,049,240
Insurance	997,569	917,236	877,581
Representation	599,460	2,813,998	978,332
Gas and oil	486,958	245,714	162,737
Management fees	–	–	53,568,600
Provisions for impairment on:			
Deferred project costs (see Note 15)	–	2,849,457	2,849,457
Trade and other receivables (see Note 8)	–	–	20,000,000
Short-term cash investments (see Note 7)	–	–	3,968,330
Others	48,760,795	18,180,992	9,880,555
	₱467,312,254	₱362,875,246	₱373,440,679

Management fees in 2012 represent AIL's payment to its stockholders, Electricity Generating Public Company Limited (EGCO) and Tomen Power (Singapore) Pte. (Tomen), for their assistance in rendering technical and operational expertise and maintenance services to AIL's customers.

24. Personnel Costs

The Group's personnel costs from continuing operations are as follows:

	2014	2013	2012
Cost of services (see Note 22)	₱66,996,869	₱55,142,427	₱45,811,998
General and administrative expenses (see Note 23)	130,983,353	121,986,495	89,614,782
	₱197,980,222	₱177,128,922	₱135,426,780

	2014	2013	2012
Salaries, wages and bonuses	₱156,990,170	₱136,987,000	₱116,230,531
Retirement benefits costs (see Note 28)	8,918,489	12,370,178	6,157,131
Other employee benefits	32,071,563	27,771,744	13,039,118
	₱197,980,222	₱177,128,922	₱135,426,780

25. Depletion, Depreciation and Amortization

	2014	2013	2012
Cost of services (see Note 22)	₱779,980,202	₱657,826,244	₱580,630,542
General and administrative expenses (see Note 23)	34,395,784	22,802,261	13,412,671
Discontinued operations (Note 30)	–	25,502,780	28,799,619
	₱814,375,986	₱706,131,285	₱622,842,832
Property, plant and equipment (see Note 12)	₱806,626,460	₱699,085,637	₱618,353,329
Amortization of software costs (see Note 15)	7,233,035	3,642,114	–
Investments in real estate (see Note 10)	516,491	3,403,534	4,489,503
	₱814,375,986	₱706,131,285	₱622,842,832

26. Finance Charges

	2014	2013	2012
Interest on long-term debt and loans payable (see Notes 17 and 18)	₱103,034,700	₱74,042,967	₱62,751,817
Accretion of discount on:			
Asset retirement obligation (see Note 19)	7,332,562	5,978,542	4,094,618
Long-term debt (see Note 18)	6,112,193	2,471,199	1,330,420
Customers' deposit	–	–	245,976
Amortization of transaction costs (see Notes 17 and 18)	90,089,293	36,880,089	15,502,662
	₱206,568,748	₱119,372,797	₱84,290,660

27. Other Income (Charges)

	2014	2013	2012
Input VAT income	₱98,505,580	₱92,511,632	₱85,133,033
Foreign exchange gain (loss) - net	(14,043,712)	(46,485,190)	13,756,787
Mark-to-market gain (loss) on derivative liability (see Note 33)	10,328,044	(16,377,924)	(11,632,044)
Recovery of impairment losses on real estate inventories due to sale (see Note 10)	3,946,795	4,140,694	17,108,236
Equity in net losses of an associate (see Note 11)	(1,279,357)	(100,920,763)	–
Dividend income	566,720	566,720	567,070
Gain on sale of equipment	416,910	356,577	362,956
Development fee (see Note 1)	–	–	236,095,000
Reversal of allowance for impairment loss (see Note 10)	–	–	72,066,280
Income from insurance claim (see Note 12)	–	–	4,415,689
Income from reversal of estimated liquidation expenses (see Note 1)	–	–	956,400
Others	10,861,583	17,226,305	4,714,742
	₱109,302,563	(₱48,981,949)	₱423,544,149

28. Retirement Plans

The Parent Company and ALC have unfunded, noncontributory defined benefit retirement plans while SPPC, WMPC, and AMPC have funded, noncontributory defined benefit retirement plans covering all their qualified employees. Retirement benefits are dependent on the years of service and the respective employee's compensation. The Group's latest actuarial valuation report is as at December 31, 2014.

Under the existing regulatory framework, Republic Act 7641, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

SPPC, WMPC and APMC

The following table summarizes the movements in net retirement assets of SPPC, WMPC and AMPC:

As at December 31, 2014:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Effect of Changes in Asset Ceiling	Net Retirement Assets
At January 1, 2014	₱100,095,784	₱164,103,262	(₱14,041,626)	₱49,965,852
Retirement benefits cost recognized in profit or loss:				
Current service cost	9,880,063	–	–	(9,880,063)
Net interest income	4,326,076	7,200,849	–	2,874,773
	14,206,139	7,200,849	–	(7,005,290)

(Forward)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Effect of Changes in Asset Ceiling	Net Retirement Assets
Remeasurements gains (losses) recognized in OCI:				
Return on plan assets (excluding amount included in net interest)	₱–	(₱2,083,754)	₱–	(₱2,083,754)
Arising from changes in financial assumptions	(12,000,393)	–	–	12,000,393
Due to experience adjustment	(9,188,710)	–	–	9,188,710
Changes in the effect of asset ceiling	–	–	(16,238,612)	(16,238,612)
	(21,189,103)	(2,083,754)	(16,238,612)	2,866,737
Benefits paid and translation adjustments	(987,026)	(987,026)	(626,738)	(626,738)
At December 31, 2014	₱92,125,794	₱168,233,331	(₱30,906,976)	₱45,200,561

As at December 31, 2013:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Effect of Changes in Asset Ceiling	Net Retirement Assets
At January 1, 2013	₱79,724,190	₱146,772,535	(₱6,494,258)	₱60,554,087
Retirement benefits cost recognized in profit or loss:				
Current service cost	8,150,198	–	–	(8,150,198)
Net interest income	3,963,945	6,935,254	–	2,971,309
	12,114,143	6,935,254	–	(5,178,889)
Remeasurements gains (losses) recognized in OCI:				
Return on plan assets (excluding amount included in net interest)	–	10,395,473	–	10,395,473
Arising from changes in financial assumptions	6,766,512	–	–	(6,766,512)
Due to experience adjustment	1,490,939	–	–	(1,490,939)
Changes in the effect of asset ceiling	–	–	(7,547,368)	(7,547,368)
	8,257,451	10,395,473	(7,547,368)	(5,409,346)
At December 31, 2013	₱100,095,784	₱164,103,262	(₱14,041,626)	₱49,965,852

The Retirement Funds of SPPC, WMPC and APMC are being maintained by Banco de Oro Unibank, Inc. - Trust and Investments Group (BDO - TIG), a trustee bank. The table below presents the fair values of the plan assets of the Retirement Plans by each class:

	2014	2013
Cash and cash equivalents	₱14,213,134	₱15,643,466
Investments in unit investment trust fund (UITF)	16,904,831	15,314,765
Investments in debt and other securities	28,720,526	31,276,054
Investments in government securities	107,131,500	98,926,574
Investments in shares of stock	–	1,128,698
Others	1,263,340	1,813,705
	₱168,233,331	₱164,103,262

The plan assets consist of the following:

- Cash and cash equivalents include regular deposit and time deposits, which bear interest ranging from 1.75% to 2.00%;
- Investments in UITF are ready-made investments that allow the pooling of funds that are managed by BDO TIG.
- Investments in shares of stock consist of quoted equity securities;
- Investments in debt and other securities, consisting of both short-term and long-term corporate notes and bonds, which bear interest ranging from 4.38% to 8.46% and have maturities from 2014 to 2024;
- Investments in government securities, consisting of fixed rate treasury notes and retail treasury bonds that bear interest ranging from 2.84% to 8.13% and have maturities from 2014 to 2037; and
- Other financial assets held by the Retirement Funds consists primarily interest and dividends receivable.

Actual return on plan assets amounted to ₱2 million in 2014, ₱7 million in 2013 and ₱9 million in 2012.

SPPC, WMPC and APMC expect to contribute a total of ₱18 million to the Retirement Plans in 2015.

ACR and ALC
The following tables summarize the movements in retirement liabilities of the Parent Company and ALC:

	2014	2013
Balances at beginning of year	(₱9,488,962)	(₱38,500,438)
Retirement benefits cost charged in profit or loss:		
Current service cost	(1,421,890)	(5,224,924)
Interest cost	(491,309)	(1,966,365)
	(1,913,199)	(7,191,289)
Remeasurements gains (losses) recognized in OCI:		
Arising from changes in demographic assumptions	3,781,517	1,382,480
Arising from changes in financial assumptions	147,964	(5,527,990)
Due to experience adjustment	-	12,913
	3,929,481	(4,132,597)
Disposal of a subsidiary (Note 30)	-	40,335,362
Balances at end of year	(₱7,472,680)	(₱9,488,962)

Actuarial Assumptions
The principal assumptions used in determining retirement benefits obligation are as follows:

SPPC, WMPC and APMC

	2014	2013
Discount rates	3.74%-4.62%	3.98%-4.68%
Future salary increases	1.60%	5.00%

ACR and ALC

	2014	2013
Discount rates	5.52%-5.60%	5.00%-5.90%
Future salary increases	10%-12%	10.00-12.00%

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations as at December 31, 2014, assuming if all other assumptions were held constant:

As of December 31, 2014:

	SPPC, WMPC and APMC		ACR and ALC	
	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱2,493,274)	+1.0%	(₱1,211,954)
	-0.5%	2,761,997	-1.0%	1,488,522
Salary increase rates	+1.0%	5,756,627	+1.0%	1,310,003
	-1.0%	(4,784,190)	-1.0%	(1,106,306)

As of December 31, 2013:

	SPPC, WMPC and APMC		ACR and ALC	
	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱5,292,436)	+1.0%	(₱1,421,631)
	-0.5%	5,927,222	-1.0%	1,717,592
Salary increase rates	+1.0%	12,048,783	+1.0%	1,496,832
	-1.0%	(9,841,571)	-1.0%	(1,284,922)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2014	2013
Less than 1 year	₱35,110,656	₱16,599,157
More than 1 year to 5 years	6,047,003	12,462,959
More than 5 years to 10 years	44,736,457	41,986,749
More than 10 years to 15 years	25,320,196	50,383,886
More than 15 years to 20 years	76,351,932	126,922,908
More than 20 years	230,223,882	671,444,719

29. Income Taxes

The major components of income tax expense in 2014, 2013 and 2012 are as follows:

Consolidated statements of income:

	2014	2013 (Note 16)	2012
Continuing operations:			
Current income tax	₱345,191,757	₱294,235,703	₱232,099,888
Deferred income tax	17,052,091	(24,011,649)	9,054,613
	362,243,848	270,224,054	241,154,501
Discontinued operations (see Note 30):			
Current income tax	–	10,849,428	15,131,375
Deferred income tax	–	(679,508)	628,977
	–	10,169,920	15,760,352
Total	₱362,243,848	₱280,393,974	₱256,914,853

Consolidated statements of comprehensive income:

	2014	2013	2012
Deferred tax related to items charged or credited directly to equity during the year - actuarial losses (gains)	(₱448,297)	₱1,380,343	₱704,767

Following is the reconciliation between the statutory tax rate on income before income tax and the effective tax rates:

	2014	2013	2012
Statutory income tax rate	30.0%	30.0%	30.0%
Increase (decrease) in income tax rate resulting from:			
Unrecognized deferred tax assets	0.9	0.5	3.3
Translation adjustments, effect of change in tax rate, income of certain subsidiaries enjoying tax holidays, interest income already subjected to final tax and others - net	2.3	0.7	(15.6)
Write-off of NOLCO and MCIT	–	1.0	1.5
Effective income tax rate	33.2%	32.2%	19.2%

Deferred income tax assets (liabilities) pertain to the income tax effects of the following:

	2014	2013 (Note 16)
Net Deferred Tax Assets		
Payable to customers	₱18,411,090	₱30,685,150
Accrued vacation and sick leaves	4,311,947	4,557,191
Impairment losses on deferred projects costs	4,137,271	4,107,203
NOLCO	1,629,572	–
Allowance for doubtful accounts	1,518,870	1,518,886
Retirement plan assets	(1,483,988)	(2,091,981)

(Forward)

	2014	2013 (Note 16)
Unamortized past service cost	₱838,187	₱1,022,151
Unrealized foreign exchange losses	635,049	2,182,148
Excess MCIT over RCIT	117,748	–
Translation of nonmonetary assets	153,031	335,137
	₱30,268,777	₱42,315,885
Net Deferred Tax Liabilities		
Fair value adjustment on real estate inventories, net of impairment	(₱166,716,734)	(₱163,405,786)
Capitalized interest	(148,677,237)	(148,586,147)
Equity in undistributed net earnings of a foreign subsidiary	(37,320,808)	(30,999,341)
Translation of nonmonetary assets	(35,631,153)	(68,003,304)
Unamortized capitalized major repairs and maintenance costs	(22,347,165)	(36,096,731)
Difference between tax and financial amortization of transaction costs	(18,456,037)	(18,793,597)
Retirement plan assets	(2,037,443)	(4,090,422)
Accrued retirement costs	(1,961,240)	–
Accrued vacation and sick leaves	1,560,281	1,561,106
Unamortized past service cost	1,479,338	1,799,906
Unrealized foreign exchange gains - net	(1,398,045)	(6,480,604)
Difference between financial and tax depreciation	–	49,148,595
Capitalized asset related to decommissioning liability	–	(2,978,860)
Actuarial gains recognized in equity	–	1,210,144
	(₱431,506,243)	(₱425,715,041)

The components of the Group's temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT for which no deferred tax assets are recognized in the consolidated financial statements because management believes that it is not probable that taxable income will be available against which the deferred tax assets can be utilized as summarized in the following table:

	2014	2013
NOLCO	₱660,244,793	₱131,032,885
Impairment losses on:		
Property, plant and equipment (see Note 12)	149,244,117	154,190,500
Real estate properties (see Note 10)	–	33,163,091
Inventories	–	1,669,870
Allowance for doubtful accounts (see Note 8)	33,163,091	31,730,458
Unrealized foreign exchange losses	15,795,997	33,117,069
Excess of MCIT over RCIT	7,869,406	6,782,728
Others	11,825,436	11,072,415

Movements of NOLCO and MCIT follow:

	2014		2013	
	NOLCO	MCIT	NOLCO	MCIT
Balances at beginning of year	₱131,032,885	₱9,035,694	₱133,864,017	₱6,544,206
Additions	567,449,062	26,533	29,456,295	2,507,033
Utilization and expiration	(32,805,247)	(1,075,073)	(32,287,427)	(15,545)
Balances at end of year	₱665,676,700	₱7,987,154	₱131,032,885	₱9,035,694

As at December 31, 2014, NOLCO and MCIT that can be claimed as deduction from RCIT due are as follows:

Years Incurred	Expiry Dates	NOLCO	MCIT
December 31, 2012	December 31, 2015	₱68,771,343	₱5,453,588
December 31, 2013	December 31, 2016	29,456,295	2,507,033
December 31, 2014	December 31, 2017	567,449,062	26,533
		₱665,676,700	₱7,987,154

30. Discontinued Operations

On October 3, 2013, ALC and ALI executed a SPA for the sale of 60% equity interest of ALC in LLI to ALI for a total consideration of ₱1,364 million. Gain on sale recognized as part of net income from discontinued operations attributable to equity holders of the parent amounted to ₱72 million, net of capital gains tax of ₱82 million.

Analysis of cash flows from disposal is shown below:

	Amounts in millions
Selling price	₱1,364
Capital gains tax	(82)
Retention receivable (see Note 8)	(162)
Cash of disposal group	(168)
Net proceeds from disposal included in cash flows from investing activities	₱952

The results generated from discontinued operations of LLI for the years ended December 31, 2013 and 2012 re as follows:

	2013	2012
SALES OF SERVICES:		
Power sales and service income	₱691,612,638	₱814,633,773
Management fees	36,648,872	–
Rental income and others	6,908,858	3,013,365
	735,170,368	817,647,138
REAL ESTATES SALES	15,551,757	112,946,667
TOTAL REVENUE	750,722,125	930,593,805
COSTS AND EXPENSES		
Cost of services	(582,120,298)	(649,229,078)
Cost of real estate sold	(7,525,331)	(120,254,814)
General and administrative expenses	(37,269,816)	(45,581,560)
OTHER INCOME (CHARGES)		
Finance charges	(2,532,048)	(582,859)
Interest income	1,854,986	3,271,966
Equity in net losses of an associate	–	(22,850,988)
Other income (charges) - net	83,335,910	5,821,932
	(544,256,597)	(829,405,401)
INCOME BEFORE INCOME TAX	206,465,528	101,188,404

(Forward)

	2013	2012
PROVISION FOR INCOME TAX		
Current	₱10,849,428	₱15,131,375
Deferred	(679,508)	628,977
	10,169,920	15,760,352
NET INCOME FROM DISCONTINUED OPERATIONS	196,295,608	85,428,052
OTHER COMPREHENSIVE LOSS		
Item that will not be reclassified subsequently to profit or loss - remeasurement loss on defined benefit obligation	(5,541,956)	(6,420,320)
TOTAL COMPREHENSIVE INCOME	₱190,753,652	₱79,007,732
Income from discontinued operations attributable to:		
Equity holders of the parent	₱146,348,389	₱51,197,032
Non-controlling interests	49,947,219	34,231,020
	₱196,295,608	₱85,428,052
Total comprehensive income attributable to:		
Equity holders of the parent	₱143,027,095	₱47,349,334
Non-controlling interests	47,726,557	31,658,398
	₱190,753,652	₱79,007,732

The net cash flows of LLI and subsidiaries are as follows:

	2013	2012
Net cash flows from operating activities	₱359,431,067	₱192,818,667
Net cash flows provided by (used in) investing activities	(57,036,229)	16,867,277
Net cash flows used in financing activities	(218,061,078)	(194,156,855)

Cost of services consists of the following:

	2013	2012
Purchased power and utilities	₱514,105,215	₱554,767,488
Depletion, depreciation and amortization (Note 25)	22,394,994	24,816,450
Personnel costs	11,796,250	14,839,407
Taxes and licenses	10,835,099	23,897,483
Repairs and maintenance	4,228,571	6,076,132
Utilities	545,046	766,254
Representation	518,625	1,382,821
Contracted services	176,120	12,182,829
Property administration	173,250	237,175
Others	17,347,128	10,263,039
	₱582,120,298	₱649,229,078

General and administrative expenses consist of the following:

	2013	2012
Personnel costs	₱14,949,525	₱18,403,780
Rent and utilities	11,617,966	13,806,597
Outside services	3,430,976	3,901,079
Depreciation and amortization (Note 25)	3,107,786	3,983,169
Transportation and travel	1,306,045	1,507,284
Representation	1,127,551	2,426,088
Taxes and licenses	890,865	576,120
Supplies	433,185	463,748
Commissions	320,370	346,600
Insurance	45,547	167,095
Others	40,000	–
	₱37,269,816	₱45,581,560

Earnings Per Share Attributable to Equity Holders of the Parent Company from Discontinued Operations

	2013	2012
Net income from discontinued operations	₱146,348,389	₱51,197,032
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.023	₱0.008

31. Lease Commitments

Operating Lease Payments
SPPC has a contract for the lease of land owned by Sarangani Agricultural Co., Inc. until May 2016. The lease contract provides for annual rental of ₱1 million and provides for escalation of rent at a rate of 5% every other year. The lease contract was accounted for using the straight-line method over the term of the lease contract.

As at December 31, 2014 and 2013, the future minimum rental payable under an operating lease contract follows:

	2014	2013
Within one year	₱1,276,035	₱1,314,536
After one year but not more than five years	2,679,691	2,532,735
	₱3,955,726	₱3,847,271

In 2014, 2013 and 2012, rent expense under this lease contract amounted to ₱1 million.

Operating Lease Receipts
LLI entered into lease contracts with various third-party lessees for the office spaces they owned. The lease term ranges from one to three years. The lease contracts were accounted for using the straight-line method over the term of the lease contract. The lease contract expired in 2013. Total rental income from these lease agreements amounted to ₱7 million and ₱14 million in 2013 and 2012, respectively.

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, short-term cash investments, AFS financial assets, loans payable, customers' deposits, derivative liability and long-term debt. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables (including noncurrent portion of installment receivables) and accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (interest rate risk, equity price risk and foreign currency risk).

Management reviews and BOD approves policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract, leading to a financial loss. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. In the Group's real estate business, transfer of the property is executed only upon full payment of the purchase price. There is also a provision in the sales contract which allows forfeiture of the installment/deposits made by the customer in favor of the Group in case of default. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments.

In the Group's power generation business, credit risk is significantly concentrated on NPC, the sole customer of SPPC and WMPC. It is the policy of the Group that all provisions in the ECA are complied with.

The table below shows the gross maximum exposure to credit risk of the Group as at December 31, 2014 and 2013, before considering the effects of collaterals, credit enhancements and other credit risk mitigation techniques.

	2014	2013
Loans and receivables		
Cash and cash equivalents*	₱2,512,323,875	₱1,421,878,289
Short-term cash investments	34,444,998	8,802,310
Trade and other receivables		
Trade receivables		
Power	731,962,604	582,081,593
Real estate**	80,042,969	235,390,647
Due from related parties	2,944,690,536	3,208,014,388
Retention receivables	115,393,178	162,300,000
Other receivables***	127,908,926	112,271,414
	₱6,546,767,086	₱5,730,738,641

Excludes cash on hand
**Includes noncurrent portion of installment receivables*
***Excluding advances to suppliers and contractors*

The table below shows the Group's aging analysis of financial assets:

	2014					
	Neither Past Due nor Impaired	Past Due but not Impaired				
		1–6 Months	Over 6 Months	Subtotal	Impaired	Total
Cash and cash equivalents*	₱2,512,323,875	₱–	₱–	₱–	₱–	₱2,512,323,875
Short-term cash investments	34,444,998	–	–	–	–	34,444,998
Trade and other receivables:						
Trade receivables						
Power	658,191,866	73,770,738	–	73,770,738	30,515,721	762,478,325
Real estate**	10,719,517	7,002,558	62,320,894	69,323,452	11,561,222	91,604,191
Product distribution and others	–	–	–	–	31,730,458	31,730,458
Due from related parties	286,975,562	2,724,521	2,654,990,453	2,657,714,974	–	2,944,690,536
Others***	127,254,314	33,679,078	82,368,712	116,047,790	6,676,514	249,978,618
	₱3,629,910,132	₱117,176,895	₱2,799,680,059	₱2,916,856,954	₱80,483,915	₱6,627,251,001

* *Excludes cash on hand*
** *Includes noncurrent portion of installment receivables*
*** *Excludes advances to suppliers and contractors*

	2013					
	Neither Past Due nor Impaired	Past Due but not Impaired				
		1–6 Months	Over 6 Months	Subtotal	Impaired	Total
Cash and cash equivalents*	₱1,421,878,289	₱–	₱–	₱–	₱–	₱1,421,878,289
Short-term cash investments	8,802,310	–	–	–	–	8,802,310
Trade and other receivables:						
Trade receivables						
Power	439,671,782	99,851,343	42,558,468	142,409,811	28,343,011	610,424,604
Real estate**	20,595,498	5,238,712	209,556,437	214,795,149	31,561,222	266,951,869
Product distribution and others	–	–	–	–	31,730,458	31,730,458
Due from related parties	295,504,536	7,738,332	2,904,671,520	2,912,409,852	–	3,208,014,388
Others***	11,352,364	213,268,364	49,950,686	263,219,050	6,664,472	281,235,886
	₱2,197,904,779	₱326,096,751	₱3,206,737,111	₱3,532,833,862	₱98,299,163	₱5,829,037,804

* *Excludes cash on hand*
** *Includes noncurrent portion of installment receivables*
*** *Excludes advances to suppliers and contractors*

The table below shows the credit quality of the Group's financial assets that are neither past due nor impaired based on historical experience with the corresponding third parties.

	2014			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents	₱2,512,323,875	₱–	₱–	₱2,512,323,875
Short-term cash investments	34,444,998	–	–	34,444,998
Trade and other receivables:				
Trade:				
Power	637,143,011	21,048,855	–	658,191,866
Real estate*	10,719,517	–	–	10,719,517
Due from related parties	–	53,706,125	233,269,437	286,975,562
Other receivables	874,321	126,379,993	–	127,254,314
	₱3,195,505,722	₱201,134,973	₱233,269,437	₱3,629,910,132

* *Includes noncurrent portion of installment receivables*

	2013			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents	₱1,421,878,289	₱–	₱–	₱1,421,878,289
Short-term cash investments	8,802,310	–	–	8,802,310
Trade and other receivables:				
Trade:				
Power	225,952,204	213,719,578	–	439,671,782
Real estate*	20,595,498	–	–	20,595,498
Due from related parties	–	85,826,125	209,778,411	295,604,536
Other receivables	11,352,364	–	–	11,352,364
	₱1,688,580,665	₱299,545,703	₱209,778,411	₱2,197,904,779

**Includes noncurrent portion of installment receivables*

Grade A financial assets pertain to those investments to counterparties with good credit standing or loans and receivables that are consistently paid before the maturity date. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up while other receivables and deposits which are collectible provided that the Group makes a persistent effort to collect them are included under Grade C. Past due receivables and advances include those that are past due but are still collectible.

Cash and cash equivalents and short-term cash investments are deposited in top ten banks in the Philippines, hence, considered Grade A.

Liquidity Risk

Liquidity risk arises from the possibility that the Group encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The table below summarizes the maturity profile of the Group's financial assets (held for liquidity purposes) and financial liabilities based on contractual undiscounted payments:

	2014				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Accounts payable and other current liabilities*	₱1,183,074,679	₱169,712,249	₱–	₱–	₱1,352,786,928
Loans payable**	–	270,399,977	–	–	270,399,977
Long-term debt**	–	707,165,780	4,859,149,285	8,988,778,492	14,555,093,557
	₱1,183,074,679	₱1,147,278,006	₱4,859,149,285	₱8,988,778,492	₱16,178,280,462

** Excluding statutory payables and other payable to government agencies*
*** Including interest payable computed using prevailing rate as at December 31, 2014*

	2014				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Cash and cash equivalents	₱2,512,383,375	₱–	₱–	₱–	₱2,512,383,375
Short-term cash investments*	–	34,703,336	–	–	34,703,336
Trade receivables	143,094,190	661,067,671	7,843,712	–	812,005,573
AFS financial assets	117,040,963	–	–	–	117,040,963
	₱2,772,518,528	₱695,771,008	₱7,843,712	₱–	₱3,476,133,247

**Including interest income computed using prevailing rate as at December 31, 2014*

	2013				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Accounts payable and other current liabilities*	₱574,067,984	₱351,874,548	₱–	₱–	₱925,942,532
Loans payable**	–	798,769,980	–		798,769,980
Long-term debt**	–	917,772,118	2,517,490,792	3,705,353,980	7,140,616,890
	₱574,067,984	₱2,068,416,646	₱2,517,490,792	₱3,705,353,980	₱8,865,329,402

* *Excluding statutory payables and other payable to government agencies*
** *Including interest payable computed using prevailing rate as at December 31, 2013*

	2013				
	On Demand	< 1 Year	1–3 Years	> 3 Years	Total
Cash and cash equivalents	₱1,422,362,785	₱–	₱–	₱–	₱1,422,362,785
Short-term cash investments*	–	9,114,792	–	–	9,114,792
Trade receivables	–	807,715,341	9,756,899	–	817,472,240
AFS financial assets	55,862,692	–	–	–	55,862,692
	₱1,478,225,477	₱816,830,133	₱9,756,899	₱–	₱2,304,812,509

**Including interest income computed using prevailing rate as at December 31, 2013*

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing loan obligations with floating interest rate as it can cause a change in the amount of interest payments. The Group's policy is to manage its interest cost using a mix of fixed and variable debt rates. The Group's ratio of fixed to floating rate debt stood at 8:92 and 40:60 as at December 31, 2014 and 2013, respectively.

The following tables set out the carrying amounts, by maturity, of the Group's interest-bearing financial obligations with floating interest rate:

			2014			
	Interest Terms (p.a.)	Rate Fixing Period	<1 Year	1–3 Years	>3 Years	Total
Long-term debt						
U.S. dollar-denominated borrowing	LIBOR +2.00% to 3.375%	Quarterly to Semi-annually	₱309,752,635	₱66,640,696	₱–	₱376,393,331
Peso-denominated borrowing	PDST-F +3.50% for the first 5 years and +2.75% thereafter	Semi-annually	–	–	8,585,696,599	8,585,696,599

			2013			
	Interest Terms (p.a.)	Rate Fixing Period	<1 Year	1–3 Years	>3 Years	Total
Long-term debt						
U.S. dollar-denominated borrowing	LIBOR +2.00% to 3.375%	Quarterly to Semi-annually	₱314,993,095	₱373,657,917	₱–	₱688,651,012
Peso-denominated borrowing	PDST-F +3.50% for the first 5 years and +2.75% thereafter	Semi-annually	–	–	2,500,279,215	2,500,279,215

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax, through the impact of floating rate financial liabilities. Fixed rate debts, although subject to fair value interest rate risk, are not included in the sensitivity analysis as these are carried at amortized costs. The assumed movement in basis points for interest rate sensitivity analysis was based on forecasted interest rate change using historical data during the year being reported. The methods and assumptions used in the analysis remained unchanged over the reporting periods being presented. There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

	2014		2013	
	Increase in Basis Points	Decrease in Basis Points	Increase in Basis Points	Decrease in Basis Points
Change in basis points	+100	-100	+100	-100
Increase (decrease) in income before income tax	(₱89,620,899)	₱89,620,899	(₱15,886,510)	₱15,886,510

Equity Price Risk

Equity price risk is the risk that the fair value of quoted AFS investment decreases as the result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's quoted AFS investments. The Group's policy requires it to manage such risk by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector. The Group intends to hold these investments indefinitely in response to liquidity requirements or changes in market conditions.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's consolidated equity. The reasonably possible change in equity price was based on the year to year change of stock market indices. In quantifying the effect of reasonably possible change in equity price, the expected return on the AFS investment is correlated to the return of the financial market as a whole through the use of beta coefficients. The methods and assumptions used in the analysis remained unchanged over the reporting periods. The table below summarizes the impact of changes in equity price on the consolidated equity. However, significant decrease in equity price may affect consolidated income before income tax.

Equity price risk of those AFS financial assets listed in the Philippine Stock Exchange and secondary or broker market (for golf club shares) is as follows:

	2014		2013	
	Increase in Equity Price	Decrease in Equity Price	Increase in Equity Price	Decrease in Equity Price
Change in equity price	+1%	-1%	+1%	-1%
Increase (decrease) on equity	₱1,122,410	(₱1,122,410)	₱497,128	(₱497,128)

Foreign Currency Risk
The Group's exposure to foreign currency risk is limited to monetary assets and liabilities denominated in currencies other than its functional currency. Substantial portion of the U.S. dollar-denominated assets and liabilities is attributable to the Group's power segment in which the functional currency is the U.S. dollar. The Group closely monitors the fluctuations in exchange rates so as to anticipate the impact of foreign currency risk associated with its financial instruments.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the Philippine peso to U.S. dollar exchange rates used was ₱44.72 to US$1.0 and ₱43.84 to US$1.0 for December 31, 2014 and 2013, respectively.

The table below summarizes the Group's exposure to foreign currency risk. Included in the table are the Group's financial assets and liabilities at their carrying amounts.

	2014		2013	
	In U.S. Dollar	In Philippine Peso	In U.S. Dollar	In Philippine Peso
Financial assets -				
Cash and cash equivalents	$41,292,890	₱1,846,618,041	$5,007,955	₱222,328,109
Short-term cash investments	824,514	36,872,266	–	–
Trade and other receivables	5,925,666	264,995,784	11,363,931	504,501,717
	48,043,070	2,148,486,091	16,371,886	726,829,826
Financial liabilities -				
Long-term debt	(83,216,781)	(3,721,454,429)	(41,882,035)	(1,859,352,955)
	($35,173,711)	(₱1,572,968,338)	($25,510,149)	(₱1,132,523,129)

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar to Philippine peso exchange rate, with all other variables held constant, of the Group's income before income tax. The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical date within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2014		2013	
	Philippine Peso		Philippine Peso	
	Increase	Decrease	Increase	Decrease
Change in foreign exchange rate	+1.0	-1.0	+1.0	-1.0
Increase (decrease) on income before income tax	(₱18,748,364)	₱18,748,364	(₱16,370,248)	₱16,370,248

The increase in ₱ against US$1 means stronger U.S. dollar against peso while the decrease in ₱ against US$1 means stronger peso against U.S. dollar.

There is no other impact on the Group's equity other those already affecting the consolidated statements of income.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value.

The Group considers its total equity and debt reflected in the consolidated balance sheet as its capital. The Group manages its capital structure and makes adjustments to it, in the light of

changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional. No changes were made in the objectives, policies or processes in 2014 and 2013, respectively.

The Group monitors its capital based on debt to equity ratio. The Group includes within debt interest bearing loans and borrowings. Capital includes equity attributable to the equity holders of the parent less (add) the net unrealized gain (loss) reserve and cumulative translation adjustments. The Group's current ratio and debt-to-equity ratio as at December 31, 2014 and 2013 follow:

Current Ratio

	2014	2013
Current assets	₱7,765,540,399	₱6,841,108,393
Current liabilities	2,462,510,323	2,367,206,263
	3.2:1	2.9:1

Debt-to-Equity Ratio

	2014	2013
Long-term debt (net of unamortized transaction costs)	₱12,938,691,818	₱5,190,495,041
Loans payable	259,999,978	794,366,639
Total debt	13,198,691,796	5,984,861,680
Equity attributable to equity holders of the parent	10,116,616,226	9,994,898,726
Other equity reserves	(1,613,004,480)	(1,750,828,447)
Adjusted equity	₱8,503,611,746	₱8,244,070,279
	1.55:1	0.73:1

33. Financial and Non-financial Instruments

As at December 31, 2014 and 2013, the Group held the following financial and non-financial instruments carried at fair value or fair value is required to be disclosed:

As of December 31, 2014:

	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Measured at fair value -					
Available-for-sale (AFS)	₱117,040,963	₱117,040,963	₱112,240,963	₱–	₱4,800,000
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	1,527,215,497	1,825,000,000	–	–	1,825,000,000
Investment in an associate	1,213,332,960	311,368,160	311,368,160	–	–
	₱2,857,589,420	₱2,253,409,123	₱423,609,123	₱–	₱1,829,800,000
Financial Liabilities					
Fair value is disclosed -					
Long-term debt	₱12,938,691,818	₱12,971,880,405	₱–	₱–	₱12,971,880,405
Measured at fair value -					
Derivative liability	27,595,736	27,595,736	–	–	27,595,736
	₱12,966,287,554	₱12,999,476,141	₱–	₱–	₱12,999,476,141

As of December 31, 2013:

	Carrying Value	Fair Value			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Measured at fair value -					
Available-for-sale (AFS)	₱55,862,692	₱55,862,692	₱51,062,692	₱–	₱4,800,000
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	1,477,259,866	1,825,000,000	–	–	1,825,000,000
Investment in an associate	1,214,612,317	189,786,224	189,786,224	–	–
	₱2,747,734,875	₱2,070,648,916	₱240,848,916	₱–	₱1,829,800,000
Financial Liabilities					
Fair value is disclosed -					
Long-term debt	₱5,190,495,041	₱5,190,495,041	₱–	₱–	₱5,190,495,041
Measured at fair value -					
Derivative liability	37,923,780	37,923,780	–	–	37,923,780
	₱5,228,418,821	₱5,228,418,821	₱–	₱–	₱5,228,418,821

During the years ended December 31, 2014 and 2013, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

The financial instrument classified under Level 3 pertains to the embedded derivatives bifurcated from the loan (host loan) that was obtained by the Parent Company from APHC (see Note 18).

The value of the embedded derivatives was determined using binomial option pricing model which uses unobservable data as inputs including credit spread, stock price and stock price volatility of Sarangani, an unlisted entity. These inputs were assessed by the Parent Company to have significant impact on the value of the derivatives.

Significant unobservable inputs to valuation	Range
Credit spread	4.34%
Share price of ACR	₱1.34
Stock price volatility of Sarangani	8%

The movements in the fair value of the derivative liability are summarized below:

	2014	2013
Derivative liability at beginning of year	₱37,923,780	₱21,545,856
Net change in fair value (Note 27)	(10,328,044)	16,377,924
Derivative liability at end of year	₱27,595,736	₱37,923,780

The fair value changes during the years ended December 31, 2014 and 2013 were recognized as "Mark-to-market gain (loss)" under "Other income (charges)" account in the consolidated statements of income (see Notes 18 and 27).

To assess the impact of those nonmarket inputs, the Parent Company performed the following sensitivity analysis:

Credit Spread

	Increase (Decrease) in Credit Spread	Effect on Income Before Income Tax
2014	100 bps	(₱3,435,287)
	(100 bps)	3,506,018
2013	100 bps	(₱3,435,287)
	(100 bps)	3,506,018

Underlying Unquoted Share Price

	Increase (Decrease) in Underlying Share Price	Effect on Income before Income Tax
2014	1%	(₱566,784)
	(1%)	₱492,249
2013	1%	(₱566,784)
	(1%)	₱492,249

Volatility of the Underlying Unquoted Share

	Increase (Decrease) in Volatility of the Underlying Unquoted Share	Effect on Income Before Income Tax
2014	100 bps	(₱23,865)
	(100 bps)	44,548
2013	100 bps	(₱23,865)
	(100 bps)	44,548

The following methods and assumptions are used to estimate the fair value of each class of financial and non-financial instruments:

Cash and cash equivalents, short-term cash investments, trade and other receivables, and advances to NPC
The carrying amounts of these financial assets approximate their fair values due to the short term maturity of those instruments.

Noncurrent portion of installment receivables
The fair values of these financial instruments are determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments. The discount rates used ranged from 3.50% to 6.00% and 4.00% to 6.68% for the years ended December 31, 2014 and 2013, respectively.

AFS financial assets
The Company's AFS financial assets include investments in quoted and unquoted securities and golf club shares. The fair value of investment in quoted securities is determined based on the closing market rate in PSE as at balance sheet dates. The fair value of investment in golf club shares which are traded in organized financial markets is determined based on quoted market bid prices at the close of business at reporting date. Investment in unquoted securities are carried at cost in the absence of a reliable basis of determining its fair values due to unpredictable nature of future cash flows and lack of suitable method in arriving at a reliable fair value.

Accounts payable and other current liabilities and loans payable
The carrying amounts of these financial liabilities approximate fair value because of the short-term maturity of these instruments.

Derivative liability
The embedded options were valued using the binominal option model. This valuation method compares the fair value of the option-free loan against the fair value of the loan. This valuation technique considers the probability of Parent Company's and Sarangani's share prices to move up or down depending on the volatility, risk-free rate and exercise price.

Long-term debt
The fair value of long-term debt with variable interest rates approximates its carrying amounts due to quarterly or semi-annually repricing of interest. The fair value of long-term debt with fixed interest rate is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments. For the year ended December 31, 2013, rates used ranged from 0.25% to 3.03%.

Investments in real estate
Please see Note 10 for the basis of fair value.

Investment in an associate
The fair value of investment in Indophil is based on quoted market price as at balance sheet dates.

The net gains (losses) per category of financial instruments are as follows:

	2014	2013	2012
Fair Value through Profit or Loss			
Mark-to-market gain (loss) on derivative liability (see Note 27)	₱10,328,044	(₱16,377,924)	(₱11,632,044)
Loans and Receivables			
Interest income from cash and cash equivalents and short-term cash investments (see Notes 7 and 30)	22,224,257	27,041,508	49,715,083
Provision for impairment losses (see Notes 8 and 23)	–	–	(23,968,330)
	22,224,257	27,041,508	25,746,753
AFS Financial Assets			
Gain (loss) on fair valuation of AFS taken to consolidated statements comprehensive income (see Note 13)	(86,998,124)	(6,741,009)	18,019,708
Other Financial Liabilities			
Interest on loans payable and long-term debt (see Notes 17, 18, 26 and 30)	(103,034,700)	(82,578,427)	(63,699,843)
Amortization of transaction costs (see Notes 18 and 26)	(90,089,293)	(36,880,089)	(15,502,662)
Accretion of customers' deposit (see Note 26)	–	–	(245,976)
Amortization of discount (see Notes 18 and 26)	(6,112,193)	(2,471,199)	(1,330,420)
	(199,236,186)	(121,929,715)	(80,778,901)
	(₱253,682,009)	(₱118,007,140)	(₱48,644,484)

Accounts payable and other current liabilities and loans payable
The carrying amounts of these financial liabilities approximate fair value because of the short-term maturity of these instruments.

Derivative liability
The embedded options were valued using the binominal option model. This valuation method compares the fair value of the option-free loan against the fair value of the loan. This valuation technique considers the probability of Parent Company's and Sarangani's share prices to move up or down depending on the volatility, risk-free rate and exercise price.

Long-term debt
The fair value of long-term debt with variable interest rates approximates its carrying amounts due to quarterly or semi-annually repricing of interest. The fair value of long-term debt with fixed interest rate is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments. For the year ended December 31, 2013, rates used ranged from 0.25% to 3.03%.

Investments in real estate
Please see Note 10 for the basis of fair value.

Investment in an associate
The fair value of investment in Indophil is based on quoted market price as at balance sheet dates.

The net gains (losses) per category of financial instruments are as follows:

	2014	2013	2012
Fair Value through Profit or Loss			
Mark-to-market gain (loss) on derivative liability (see Note 27)	₱10,328,044	(₱16,377,924)	(₱11,632,044)
Loans and Receivables			
Interest income from cash and cash equivalents and short-term cash investments (see Notes 7 and 30)	22,224,257	27,041,508	49,715,083
Provision for impairment losses (see Notes 8 and 23)	–	–	(23,968,330)
	22,224,257	27,041,508	25,746,753
AFS Financial Assets			
Gain (loss) on fair valuation of AFS taken to consolidated statements comprehensive income (see Note 13)	(86,998,124)	(6,741,009)	18,019,708
Other Financial Liabilities			
Interest on loans payable and long-term debt (see Notes 17, 18, 26 and 30)	(103,034,700)	(82,578,427)	(63,699,843)
Amortization of transaction costs (see Notes 18 and 26)	(90,089,293)	(36,880,089)	(15,502,662)
Accretion of customers' deposit (see Note 26)	–	–	(245,976)
Amortization of discount (see Notes 18 and 26)	(6,112,193)	(2,471,199)	(1,330,420)
	(199,236,186)	(121,929,715)	(80,778,901)
	(₱253,682,009)	(₱118,007,140)	(₱48,644,484)

34. Significant Agreements and Commitments

a. Energy Conversion Agreements (ECAs)

SPPC and WMPC, each under separate ECAs with NPC, have constructed a 55-megawatt and a 100-megawatt bunker C-fired diesel generator power plants in General Santos City and Sangali, Zamboanga City, respectively, under a Build-Operate-Own scheme. NPC supplies all fuel necessary to generate electricity, with all electricity generated purchased by NPC at a price calculated based on the formula provided in the ECAs. SPPC and WMPC shall, directly or indirectly, own the power plants and shall operate and manage the power plants and provide all power generated to NPC for a period of 18 years up to May 2016 and December 2015, respectively. Upon expiration of the 18-year cooperation period, the ECAs may be renewed upon the sole option of NPC.

The covering agreements also contain certain provisions with respect to NPC's payment to SPPC and WMPC (subject to certain conditions) of the total remaining amounts of the capacity fees until the end of the cooperation period, in the event of amendment, modification or repeal of any Philippine laws or any government regulations that will materially reduce, prejudice or otherwise adversely affect the companies' interest in the project or the power plant/station, and/or the companies' economic return on their investments.

The ECAs qualify as operating leases as SPPC and WMPC sell all their outputs to NPC. Future minimum receivable from fixed capacity and infrastructure fees as at December 31, 2014 and 2013 are as follows (in millions):

	2014	2013
Within one year	₱2,171	₱1,237
After one year but not more than five years	246	1,392

Energy fees earned on the ECAs amounted to ₱2,182 million ($49 million) in 2014, ₱2,075 million ($49 million) in 2013 and ₱2,069 million ($49 million) in 2012.

b. Operations and Maintenance (O&M) Service Agreements

AIL provides operations and maintenance services under an Advisory Service Agreement (ASA) to PT Makassar Power (PTMP), an IPP based in Indonesia. Under the ASA, AIL provides technical advisory services in connection with the operation and maintenance of a power plant in Indonesia for a monthly fee of $35,000 effective May 1, 2008 to April 2010, $38,800 effective May 2010 to July 2011, $44,600 from August 2011 to April 2012, and $46,600 from May 2012 to April 2015.

Total billings to PTMP amounted to ₱25 million ($0.56 million) in 2014, ₱24 million ($0.56 million) in 2013 and ₱23 million ($0.55 million) in 2012.

In March 2013, SRPI entered into O&M Agreement with ACES for the operations and maintenance of the 105 MW coal-fired power plant. The Agreement is subject to termination by SRPI after the fourth operating year of the power plant and every year thereafter, upon at least one year notice prior to the intended termination date. Under the O&M, SRPI should pay mobilization fee amounting to US$2.33 million and annual operation fee of US$1.95 million. As at March 27, 2015, SRPI has not started commercial operations.

c. Power Supply Agreements (PSAs)

SRPI, Sarangani, and MPC entered into PSAs with various distribution utilities and electric cooperatives for a period of 25 years for SPRI and Sarangani and three (3) years for MPC from start of their commercial operations.

Contracted capacities are shown below:

Sarangani

Contracting Party	Contracted Capacity (in Mega Watts)
South Cotabato II Electric Cooperative Inc.	70
Davao del Norte Electric Cooperative Inc.	15
Agusan del Norte Electric Cooperative Inc.	10
Agusan del Sur Electric Cooperative Inc.	10

SRPI

Contracting Party	Contracted Capacity (in Mega Watts)
Zamboanga City Electric Cooperative, Inc.	85
Zamboanga del Sur I Electric Cooperative, Inc.	10

MPC

Contracting Party	Contracted Capacity (in Mega Watts)
South Cotabato II Electric Cooperative Inc.	30
Zamboanga City Electric Cooperative, Inc.	18
Agusan del Norte Electric Cooperative Inc.	15
Holcim Philippines, Inc.	10
Iligan Light and Power, Inc.	10
Agusan del Sur Electric Cooperative Inc.	10
Zamboanga del Sur I Electric Cooperative, Inc.	5
Zamboanga del Norte Electric Cooperative, Inc.	5

d. Agreement on Assignment of Participating Interest in SC 14

The Parent Company acquired from Philodrill Corporation (Philodrill) the latter's undivided participating interest of 1% in the rights and obligations in Block "C" of SC 14, which Alcorn (Production) Philippines, Inc. had previously agreed to assign to Philodrill.

The assignment agreement grants Philodrill the priority right to reacquire the subject 1% participating interest in the event the Parent Company decides to sell or assign the same, in whole or in part, to any third party.

The Parent Company is also a participant to several GSECs entered into with the Philippine Government, through the Department of Energy, to conduct exploration, exploitation and development activities in the contract areas designated in the GSECs.

The aforementioned SC and GSECs provide for certain minimum work expenditure obligations and the drilling of a specified number of wells, and are covered by operating agreements which set forth the participating interests, rights and obligations of the contractors.

e. Consultancy and Management Agreement

The Parent Company has a consultancy agreement with Comexco, Incorporated (Comexco). Under this agreement, Comexco will be the Group's technical consultant in identifying oil and mineral prospects and will provide assistance in applying for and acquiring rights thereto.

f. Joint Venture Agreements

ALC has a Joint Venture Agreement with SLRDI for the development of ALC's parcels of land at General Trias, Cavite into a commercial and residential subdivision with golf courses, known as the Eagle Ridge Golf and Residential Estates (Eagle Ridge). The entire development shall be undertaken by SLRDI which shall receive 60% of the total sales proceeds of the lots of the subdivision, both commercial and residential, and of the golf shares. The remaining balance of 40% shall be for ALC. ALC's 40% share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots and golf shares is included under "Real estate inventories" account in the consolidated balance sheets. The Group recorded sales from Eagle Ridge amounting to ₱0.5 million in 2014, ₱5 million in 2013 and ₱2 million in 2012.

In 2006, ALC entered a joint venture agreement with SRDI, the developer, for the development of ALC's parcels of land in Batangas into residential house and lots called Campo Verde Subdivision. The entire development costs shall be shouldered by the developer. In return for their respective contributions to the project, the parties have agreed to assign number of units of residential house and lots proportionate to their respective contributions computed as specified in the MOA. SRDI shall be assigned as the exclusive marketing agent and shall receive 10% of the total contract price, net of VAT and discounts, as marketing fee. ALC's share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots is included under "Real estate inventories" account in the consolidated balance sheets. The Group reported sales from Campo Verde subdivision amounting to ₱11 million in 2014, ₱13 million in 2013 and ₱29 million in 2012.

In March 21, 2013, Aldevinco and ACIL (collectively referred as "AG") and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana Development Corporation (ADC). On September 17, 2013, ADC was incorporated as the JVC. ACR has subscribed to 296 preferred shares and 32 common shares for 34% ownership in ADC. As at March 27, 2015, ADC has not started operations.

g. Marketing Agreements

ALC and SLRDI have a Marketing Agreement with Fil-Estate Group of Companies (FEGC) for the latter to market and sell the individual lots at Eagle Ridge. FEGC is entitled to a marketing commission of 12% of the sales contract price.

h. Engineering, Procurement and Construction Contract (EPC)

On March 30, 2011, Sarangani entered into EPC contract with the consortium of Daelim Industrial Co. Ltd, a company incorporated in Korea, and Daelim Philippines Incorporated, a company incorporated in the Philippines ("Contractor"). Under the terms of the contract, the

Contractor shall perform any and all services and provide any and all equipment and construction equipment necessary to perform the work in accordance with the EPC contract on a fixed-price, turnkey basis and shall deliver a fully operational power plant facility (SM 200).

On December 29, 2011 and May 24, 2012, Amendments 1 and 2 to the EPC, respectively, were signed, revising certain portions of the EPC. Construction of Phase 1 of the SM200 commenced in July 2012 and is expected to be completed in August 15, 2015.

On December 27, 2012, SRPI entered 3-year Construction Contract also with Daelim Philippines, Incorporated ("Daelim") for a ₱2.38 billion fixed-price, date certain and turnkey basis. Under the Construction Contract, Daelim shall provide the design, engineering, procurement, supply, construction, start-up, testing and commissioning of the 100 MW coal-fired power station or the ZAM100 project.

i. Registration with Zamboanga City Special Economic Zone Authority (ZAMBOECOZONE) and Kamanga Agro-Industrial Economic Zone

On November 20, 2012, SRPI obtained the certificate of registration and tax exemption issued by the ZAMBOECOZONE. As a registered ZAMBOECOZONE enterprise, SRPI shall enjoy incentives and benefits provided for in Republic Act (R.A.) 7903 Sections 4(e) and 4(f) and Sections 43-44, 57-59 and 62 of R.A. 7903 throughout the Lease Agreement with ZAMBOECOZONE (see 15.c)

On June 7, 2011, Philippine Economic Zone Authority (PEZA) approved Sarangani's registration as an Ecozone Utilities Enterprise inside Kamanga Agro-Industrial Economic Zone located at Barangay Kamanga, Maasim, Sarangani Province.

As a power generation registered economic zone enterprises SRPI and Sarangani are entitled to the following incentives:

(a) Exemption from national and local taxes and in lieu thereof payment of a special tax rate of 5% on gross income; and
(b) Tax and duty free importation of capital equipment, machineries and spare parts.
(c) VAT-zero rating on local purchases subject to compliance with BIR and PEZA regulations/requirements.

j. Land Lease Agreement with ZAMBOECOZONE

On January 27, 2013, SRPI entered into a Land Lease Agreement with ZAMBOECOZONE for a period of 31 years from execution of the lease Agreement. The leased properties consist of: (a) 300,000 sq.m. for the Main Power Plant Area; and (b) 37,000 sq.m. for the Port Facility Area. Payment of monthly rental will commence on October 1, 2013 and subject to fee escalation. On January 27, 2014, SRPI received billing from ZAMBOECOZONE covering period October 1, 2013 to December 31, 2013. However, SRPI requested for the deferment of the recognition of its rental obligations to ZAMBOECOZONE for the three (3) months period ended December 31, 2013 pending resolution of the certain conditions requisite for the start of rental payments. SRPI requested for revised billing to reflect the three-month deferment of the full rental rates.

On April 2, 2014, ZAMBOECOZONE issued revised billing to SRPI amounting to ₱10.2 million for period starting January 1, 2014 to March 2015. In response to the revised billing, SRPI wrote to ZAMBOECOZONE on October 24, 2014 communicating that while the

plant site was cleared of informal settlers, the conflicting positions taken by the Department of Agrarian Reform and the Office of the Government Corporate Counsel on land use conversion have made the use of the land for industrial purposes uncertain. Despite the issue on land use conversion, SRPI tendered payment of ₱10.2 million to show good faith and willingness to continue with the contract. As at March 27, 2015, SRPI has not yet received response from ZAMBOECOZONE. Meanwhile, the payment ₱10.2 million is recorded as security deposits under "Other noncurrent assets" account as at December 31, 2014.

35. Contingencies

There are contingent liabilities that arise in the normal course of the operations of the Group, which are not reflected in the accompanying consolidated financial statements as management believes that it is not probable that the contingent liabilities will affect the Group's operations and consolidated financial statements.

36. Other Matters

a. Electric Power Industry Reform Act (EPIRA)
RA No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations (IRR) provide for significant changes in the power sector which include among others:
   i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
   ii. Creation of a Wholesale Electricity Spot Market within one year; and
   iii. Open and non-discriminatory access to transmission and distribution systems.

   The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and between transmission and distribution companies, and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

   There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.
   Based on the assessment of management, the operating subsidiaries have complied, with the applicable provisions of the EPIRA and its IRR.

b. Clean Air Act
   The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries comply with the applicable provisions of the Clean Air Act and the related IRR.

SGV
Building a better working world

SyCip Gorres Velayo & Co
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
2286 Don Chino Roces Ave. Extension,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, included in this Form 17-A, and have issued our report thereon dated March 27, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Martin C. Guantes
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-2 (Group A),
March 15, 2012, valid until April 30, 2015
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 4751287, January 5, 2015, Makati City

March 27, 2015

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS

DECEMBER 31, 2014

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition*		✓	
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination*		✓	
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements*			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to PFRS 5: Changes in Methods of Disposal*		✓	
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendment to PFRS 7: Servicing Contracts*			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements *			✓
PFRS 8	Operating Segments			✓
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*		✓	
PFRS 9	Financial Instruments*		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		✓	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities	✓		
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		✓	
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*		✓	
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception*		✓	
PFRS 14	Regulatory Deferral Accounts*		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation*		✓	
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*		✓	
	Amendments to PAS 16: Bearer Plants*			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution*		✓	
	Amendments to PAS 19: Regional market issue regarding discount rate*		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel*		✓	
PAS 26	Accounting and Reporting by Retirement benefits Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements*		✓	
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Disclosure of information 'elsewhere in the interim financial report'*			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization*		✓	
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives*	✓		
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property*		✓	
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants*		✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*	✓		
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓
IFRIC 8	*Scope of PFRS 2*			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	✓		
IFRIC 10	*Interim Financial Reporting and Impairment*	✓		
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate*		✓	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners	✓		
IFRIC 18	Transfers of Assets from Customers	✓		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities	✓		
	Amendment to SIC-12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✓		
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs	✓		

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

Exhibit 2

SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2014

ALSONS CONSOLIDATED RESOURCES INC. AND SUBSIDIARIES
Schedule A: Financial Assets
For the year Ended December 31,2014

Name of Issuing Entity and Description of Each Issue	No. of Shares	Amounts Shown in the Balance Sheet	Valued Based on Market Quotations at Balance Sheet Date	Interest and Dividend Income Received and Accrued
Short-term deposit (cash equivalents)				
U.S. Dollar denominated short term deposit				
DBP		29,166,117		584,602
Peso denominated short term deposit				
RCBC		30,000,000		-
AUB		70,000,000		149,723
		129,166,117		**734,325**
Short-term cash investments				
U.S. Dollar denominated short term investments		8,944,000		
Peso Denominated short term investments		25,500,998		
		34,444,998		
Available-for-sale financial assets				
Philodrill	566,720,000	10,200,960	10,200,960	566,720
Seafront	15,544,911	43,292,578	43,292,578	
Globe Telecom	1,013	1,747,425	1,747,425	
Abacus Consolidated	10,000,000	4,800,000	4,800,000	
Eagle Ridge Golf and Country Club	511	51,300,000	51,300,000	
Eagle Ridge Hotel Corp.	2,112,000	4,800,000	4,800,000	
Pueblo de Oro Development Corporation	2	900,000	900,000	
	594,378,437	**117,040,963**	**117,040,963**	**566,720**
TOTAL FINANCIAL ASSETS	**594,378,437**	**280,652,078**	**117,040,963**	**1,301,045**

SCHEDULE B – Accounts Receivable from Directors,Officers,Employees,Related Parties and Principal Stockholders (Other than Affiliates)
For the Year Ended December 31, 2014

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
ACR								
Cervantes, Ma. Anna	R	7,000		7,000				-
Mangalaz, Ma. Cleofas	R	-	2,000					2,000
Ymson, Luis Y.	O	2,764		2,764				-
		9,764	2,000	9,764	-	-	-	2,000
Alsons Land Corporation								
Bayang, Andrea Iyn	R	-	8					8
Almadovar, Roberto	R	-	4,174					4,174
Legaspi, Rulino	R	-	467,384					467,384
Mapoy, Pelagio	R	-						-
Salibo, Cecilia	R	-	13,000					13,000
Others		-	40,503					40,503
Quioque, Theresa	R	-	205,212					205,212
Roa, Susan V.	R	-	18,400					18,400
Jorgio, Jovy	R	-	12,448					12,448
		-	761,129	-	-	-	-	761,129
Southern Philippines Power Corporation								
Amadeo, Erwin E.	S	-						-
Aquino, Marlon A.	R	9,303		9,303				-
Arocha, Riel R. *Sr.*	R	3,621		3,621				-
Aton, Adelita B.	R	41		41				-
Aton, Joel E.	S	-		-				-
Bacerra, Geronimo D.	E	4,228		4,228				-
Balladares, Andy Oliver J.	S	131,068		131,068				-
Basolo, Alexander S.	R	1,609		1,609				-
Batac, Irene G.	R	65		65				-
Berce, Luisito C.	R	198		198				-
Bernabe, Paulino D. Jr.	S	25,024		25,024				-
Bonayon, Edgar L.	S	8,388		8,388				-
Burgos, Cherrylyn M.	R	17,499		17,499				-
Burgos, Romeo M.	S	171,843		171,843				-
Cabading, Anastacio C.	S	-		-				-
Calabugan, Franklin T.	R	11		11				-
Caminero, George L.	R	-		-				-
Castro, Rosnina S.	S	185,501		185,501				-
Catolico, Maribell P.	R	4,500		4,500				-
Deang, Richard P.	R	2,256		2,256				-
Dolorican, Judy S.	R	-		-				-
Dusaban, Nathan M.	R	11,733		11,733				-
Eugenio, Jay Michael L.	R	-		-				-
Federizo, Christopher V.	S	37,336		37,336				-
Federizo, Evelyn C.	S	-		-				-
Gallarde, Cerilo T.	R	30,369		30,369				-
Gamil, Manuel E.	S	-		-				-
Gomez, Danilo A.	S	-		-				-
Hamoy, Norma J	M	4,412		4,412				-
Lawas, Alexander E. Jr.	R	11		11				-
Lisondra, Llewellyn R.	S	-		-				-
Lopez, Nathaniel R.	R	921		921				-
Lozano, Teresita B.	M	-		-				-
Manansala, Loren A.	S	-		-				-
Maningo, Ram Kenneth F.	R	12,183		12,183				-
Maximiano, Allawan F.	S	-		-				-
Memoria, Maribel T.	R	-		-				-
Mosqueda, Dinah T.	R	9,164		9,164				-
Moya, Paul Anthony P.	R	11		11				-
Mutoc, Dennis B.	R	27,532		27,532				-
Nava, Napoleon Jr. B.	S	55		55				-
Navalta, Ramon B.	R	300		300				-
Orquina, Lilian B.	R	10		10				-
Ouano, Gilbert Francis N.	S	164,933		164,933				-
Pacson, Arturo P.	S	14,815		14,815				-
Pantinople, Jomar S.	R	-		-				-
Parantar, Simplicio B. Jr.	R	13,053		13,053				-
Parreno, Rene S.	R	-		-				-
Perez, Nonilo R.	R	8,208		8,208				-
Remocaldo, Arnel D.	R	22,543		22,543				-
Rendon, Michael D.	R	13,555		13,555				-
Rivera, Alex S.	R	-		-				-
Rivera, Almodin S.	R	8,010		8,010				-
Sanchez, Jesus Senen A.	R	16,174		16,174				-

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Saragena, Honorioko E.	S	4,249		4,249				-
Sevilles, Edgar D.	O	7,241		7,241				-
Simbulan, Sharon G.	R	5		5				-
Zamora, Bernardo N.	M	4,615		4,615				-
Zurriaga, Kristan T.	R	1,376		1,376				-
		978,088	-	978,088	-	-	-	-
WESTERN PHILIPPINES POWER CORPORATION								
Alcaraz, Estella M.	S	-		-				-
Anchela, Alquin Vox L.	R	-		-				-
Baile, Mario Jose C.	M	1,865		1,865				-
Banaag, John P.	S	43,713		43,713				-
Banaag, Ma. Melisa Margaret A.	R	7,106		7,106				-
Basilio, Albert B.	R	6,708		6,708				-
Bautista, Ariel A.	M	2,314		2,314				-
Bojas, Annie M.	R	-		-				-
Bucoy, Jessie James M.	R	-		-				-
Cabug-os, Danilo C.	S	10,199		10,199				-
Camacho, Chesser Jan D.	S	2,268		2,268				-
Collado, Jake I.	S	41,212		41,212				-
Datu, Noel A.	S	9,583		9,583				-
Dela Cruz, Solita V.	M	1,131		1,131				-
Denosa, Joshua P.	R	8,626		8,626				-
Despabiladeras, Alma Q.	S	-		-				-
Dionio, Allan Leroy A.	S	30,831		30,831				-
Dulla, Maria Lourdes F.	R	16		16				-
Dumaran, Ryan D.	R	413		413				-
Enad, Dyna C.	S	189,315		189,315				-
Espinosa, Joy F.	S	13,221		13,221				-
Fucoy, Nicandro R.	O	15,725		15,725				-
Guadalupe, Rogelio H. Jr.	R	-		-				-
Guevarra, Jasmine S.	R	7,999		7,999				-
Ijirani, Helen Mae Q.	S	9,166		9,166				-
Imperio, Anne B.	R	14,282		14,282				-
Israel, Nelson M.	R	1,660		1,660				-
Juico, Michelle D.	R	245		245				-
Lacastesantos, Jowie F.	R	8,281		8,281				-
Llorente, Thessa	R	12,500		12,500				-
Lozano, Teresita B.	M	3,356		3,356				-
Mahinay, Lorenzo Jr. B.	R	5,000		5,000				-
Marcelino, Riel M.	R	-		-				-
Martinez, Jessa L.	R	21,167		21,167				-
Megrenio, Mary Shower	R	8,333		8,333				-
Megrenio, Renante P.	S	212,943		212,943				-
Monteron, Leoni Laurente	R	-		-				-
Monte, Leonardo J	S	-		-				-
Nava, Napoleon Jr. B.	S	-		-				-
Orquina, Lilian B.	R	14,166		14,166				-
Pascualdo, Jomar P.	R	1,699		1,699				-
Porillo, Reynaldo A.	R	28,596		28,596				-
Ramillo, Ruben B.	S	-		-				-
Revanzal, Amedeo E.	S	91,546		91,546				-
Reyes, Mary Sweet G.A.	R	12,952		12,952				-
Rosales, Nollie B.	R	-		-				-
Sampuang, Allan G.	S	-		-				-
Sebastian, Jason L.	R	20,999		20,999				-
Sevilles, Edgar D.	O	-		-				-
Soterio, Amalia A.	R	13,749		13,749				-
Sta. Rita, Dennis M.	R	-		-				-
Tolet, Michael L.	S	5,862		5,862				-
Torrejon, Jose Marie T.	M	99,986		99,986				-
Varias, Lorenzo R.	R	7,617		7,617				-
Others		-		-				-
		886,374	-	886,374	-	-	-	-
Conal Holdings Corporation								
Others		7,259		7,259				-
		7,259	-	7,259	-	-	-	-
Alto Power Management Corporation								
Baroman, Florante	R	65,726		65,726				-
Despabiladeras, Alma Q.	S	152,585		152,585				-
Galinato, Noel P.	M	246,714		246,714				-
Megrino, Felix P.	M	-		-				-
Others		1,058		1,058				-
Sevilles, Edgar D.	O	293,143		293,143				-
		759,226	-	759,226	-	-	-	-

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Sarangani Energy Corporation								
Alberoto, Joseph T.	S	11,704		1,905				10,259
Allawan, Maximiano F.	S	220,156		220,100				56
Alon, Joel E.	M	20,276		13,152				7,124
Corales, Fernando V.		-	10,478					10,478
Corpuz, Melody C.	R	828		232				596
Estrella, Jonnah M.	S	6,750		6,750				-
Fababier, Awardson J.	R	180	218					398
Fucoy, Nicandro R.	O	3,923	9,120					13,043
Isla, Alamada M.	R	497	9,791					10,288
Madelo, April Rose B.	R	28						28
Mirasol, Glyzah Mae T.	R	20		20				-
Navida, Veronic E.	R	60		60				-
Nocos, Joseph C.	O	7,608	17,592					25,200
Oviola, Casimiro V.	M	4,083	62,481					66,564
Others		2,738	12,951	8,542				7,147
Paramo, Joel G.		-	40,000					40,000
Pasion, Romiro V.	S	73		73				-
Ramos, David M.	S	890		492				398
Rulo, Reyma A.	R	126	800					926
Serato, Edward P.	S	1,004						1,004
		281,006	163,432	250,926	-	-	-	193,511
KAMANGA								
Allawan, Maximiano F.	M	-	79,100					79,100
		-	79,100	-	-	-	-	79,100
ACRNC								
Aranela, Stephen Leonard J.	M	549		549				-
		549	-	549	-	-	-	-
TOTAL		3,023,258	1,005,661	2,992,179	-	-	-	1,035,740

Schedule C. Amounts Receivable from/Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2014.

Entity with Receivable Balance	Name of Entity with Payable Balance	Due from related party	Due to related party
Alsons Consolidated Resources, Inc.	Conal Holdings Corporation	265,393,538	265,393,538
Mapalad Power Corporation	Alsons Consolidated Resources, Inc.	128,793,749	128,793,749
Alsons Consolidated Resources, Inc.	ACR Mining Corporation	34,028,974	34,028,974
Alsons Renewable Energy Corporation	Alsons Consolidated Resources, Inc.	30,500,000	30,500,000
Alsons Consolidated Resources, Inc.	Sarangani Energy Corporation	12,944,612	12,944,612
Alto Power Management Corporation	Alsons Consolidated Resources, Inc.	11,979,202	11,979,202
Alsons Land Corporation	Alsons Consolidated Resources, Inc.	11,545,501	11,545,501
Western Mindanao Power Corporation	Alsons Consolidated Resources, Inc.	9,015,646	9,015,646
San Ramon Power Inc.	Alsons Consolidated Resources, Inc.	7,335,828	7,335,828
Alsons Consolidated Resources, Inc.	MADE (Market Developers), Inc.	3,509,765	3,509,765
Alsons Consolidated Resources, Inc.	ACES Technical Services Corporation	61,607	61,607
Alsons Consolidated Resources, Inc.	Alsing Power Holdings, Inc.	974	974

As of December 31, 2014, the balances above of due from and due to related parties are expected to be realized and settled within twelve months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.

Schedule D: Intangible Assets – Other Assets
For the Year Ended December 31, 2014

Intangible Assets	Beginning Balance	Addition	Amortization	Revaluation	Ending Balance
Computer Software	16,001,808	16,277,678	(7,233,035)	(163,527)	24,882,924
Goodwill	994,928,342			6,967,707	1,001,896,049
Mining Rights	195,000,000	-	-		195,000,000
	1,205,930,150	16,277,678	(7,233,035)	6,804,180	1,221,778,973

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Schedule E: Long Term Debt
For the Year Ended December 31,2014

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
Parent Company				
U.S. Dollar-denominated debt:				
Three-year fixed rate corporate note			58,141,114	58,141,114
Three-year floating rate note			3,143,017,114	3,143,017,114
Peso-denominated debt:				
Five-year fixed rate restructured debt		27,699,000		27,699,000
CHC's Subsidiaries				
Southern Philippines Power Corp.				
Seven-year dollar denominated floating rate note		57,278,181	43,006,330	100,284,511
Four and half-year U.S. dollar-denominated floating rate note		29,337,706	22,178,705	51,516,411
Western Mindanao Power Corp.				
Seven-year dollar denominated floating rate note		19,122,361		19,122,361
Three and half-year U.S. dollar-denominated floating rate note		204,236,106		204,236,106
Mapalad Power Corporation				
Five and half year peso denominated fixed rate note		145,483,998	689,037,397	834,521,396
Short-term peso denominated fixed rate note	259,999,978			-
Sarangani Energy Corporation				
Thirteen and half year peso denominated debt			8,392,883,646	8,392,883,646
Alsons Land Corporation				
Five-year peso-denominated fixed rate restructured debt		53,564,035		53,564,035
Market Developers, Inc.				
Five-year peso-denominated fixed rate restructured debt		53,706,125		53,706,125
	259,999,978	590,427,513	12,348,264,305	12,938,691,818

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Supplementary Schedules

Schedule F: Indebtedness to related parties

Company	Beginning Balance	Interest Rate	Term	Maturity	Ending Balance
Parent Company					
Alsons Power Holdings Corporation	270,779,481	6%	4years	May 30,2016	-
Alsons Power Holdings Corporation	109,767,156	6%	3years	May 30,2016	58,141,114
Alsons Power Holdings Corporation	794,366,639	6%	1year	February 7,2014	-
	1,174,913,276				58,141,114

Schedule H: Capital Stock

Title of Issue (2)	Number of Share authorized	Number of shares issued and outstanding	Number of shares reserved for options,	Number of shares held by affiliates	Directors, officers and employees	Others
		at shown under related balance sheet caption	Warrants, conversion and other rights	(as of December 31,2014)		
Common	11,945,000,000	6,291,500,000	None	5,031,047,698	600,406	1,259,851,896
Preferred	5,500,000,000	22,183,333		22,183,333		
	17,445,000,000	6,313,683,333		5,053,231,031	600,406	1,259,851,896

Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2014.

1) Indicate in a note any significant changes since the date of the last balance sheet filed.
2) Include in this column each type of issue authorized.
3) Affiliates referred to include affiliates for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.

ALSONS CONSOLIDATED RESOURCES, INC.
2286 Chino Roces Ave., Makati City
Schedule of Retained Earning Available for Dividend Declaration
December 31, 2014

		Figures based on Parent Company Audited Financial Statements)
Retained Earnings, beginning		Php1,443,419,895
Add: Cumulative mark-to-market loss		28,009,968
Retained Earnings, as adjusted to available for dividend declaration		1,471,429,863
Net income during the year	48,766,097	
Less: Non-actual gain		
Mark-to-market loss in 2014	(10,328,044)	
Net income actually earned during the period		38,438,053
Dividend declared during the year		(105,064,000)
Appropriation of Retained Earnings during the period		(850,000,000)
Retained Earnings end, as adjusted available for dividend distribution		**Php554,803,916**

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER SECURITIES REGULATION CODE RULE 68, AS AMENDED (2011)
DECEMBER 31, 2014

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		3		
PFRSs Practice Statement Management Commentary				3
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			3
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			3
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			3
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			3
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			3
	Amendments to PFRS 1: Government Loans			3
	Amendment to PFRS 1: Meaning of Effective PFRSs	3		
PFRS 2	Share-based Payment			3
	Amendments to PFRS 2: Vesting Conditions and Cancellations			3
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			3
	Amendment to PFRS 2: Definition of Vesting Condition*		3	
PFRS 3 (Revised)	Business Combinations			3
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination*		3	
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements*		3	
PFRS 4	Insurance Contracts			3
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			3

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			3
	Amendment to PFRS 5: Changes in Methods of Disposal*		3	
PFRS 6	Exploration for and Evaluation of Mineral Resources			3
PFRS 7	Financial Instruments: Disclosures	3		
	Amendments to PFRS 7: Transition	3		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	3		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	3		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	3		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	3		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	3		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	3		
	Amendment to PFRS 7: Servicing Contracts*		3	
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements *		3	
PFRS 8	Operating Segments			3
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*		3	
PFRS 9	Financial Instruments*		3	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		3	
PFRS 10	Consolidated Financial Statements	3		
	Amendments to PFRS 10: Investment Entities	3		
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		3	
PFRS 11	Joint Arrangements		3	
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*			3
PFRS 12	Disclosure of Interests in Other Entities	3		
	Amendments to PFRS 12: Investment Entities	3		

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PFRS 13	Fair Value Measurement	3		
	Amendment to PFRS 13: Short-term Receivables and Payables	3		
	Amendment to PFRS 13: Portfolio Exception*		3	
PFRS 14	Regulatory Deferral Accounts*		3	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	3		
	Amendment to PAS 1: Capital Disclosures	3		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			3
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	3		
PAS 2	Inventories	3		
PAS 7	Statement of Cash Flows	3		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	3		
PAS 10	Events after the Reporting Period	3		
PAS 11	Construction Contracts			3
PAS 12	Income Taxes	3		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	3		
PAS 16	Property, Plant and Equipment	3		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation*		3	
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*		3	
	Amendments to PAS 16: Bearer Plants*		3	
PAS 17	Leases	3		
PAS 18	Revenue	3		
PAS 19 (Amended)	Employee Benefits	3		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution*		3	
	Amendments to PAS 19: Regional market issue regarding discount rate*		3	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			3

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates	3		
	Amendment: Net Investment in a Foreign Operation			3
PAS 23 (Revised)	Borrowing Costs	3		
PAS 24 (Revised)	Related Party Disclosures	3		
	Amendments to PAS 24: Key Management Personnel*		3	
PAS 26	Accounting and Reporting by Retirement benefits Benefit Plans			3
PAS 27 (Amended)	Separate Financial Statements			3
	Amendments to PAS 27: Investment Entities	3		
	Amendments to PAS 27: Equity Method in Separate Financial Statements*		3	
PAS 28 (Amended)	Investments in Associates and Joint Ventures			3
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		3	
PAS 29	Financial Reporting in Hyperinflationary Economies			3
PAS 31	Interests in Joint Ventures			3
PAS 32	Financial Instruments: Disclosure and Presentation	3		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			3
	Amendment to PAS 32: Classification of Rights Issues	3		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	3		
PAS 33	Earnings per Share			3
PAS 34	Interim Financial Reporting			3
	Amendment to PAS 34: Disclosure of information 'elsewhere in the interim financial report'*		3	
PAS 36	Impairment of Assets	3		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	3		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	3		
PAS 38	Intangible Assets	3		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization*		3	
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*		3	

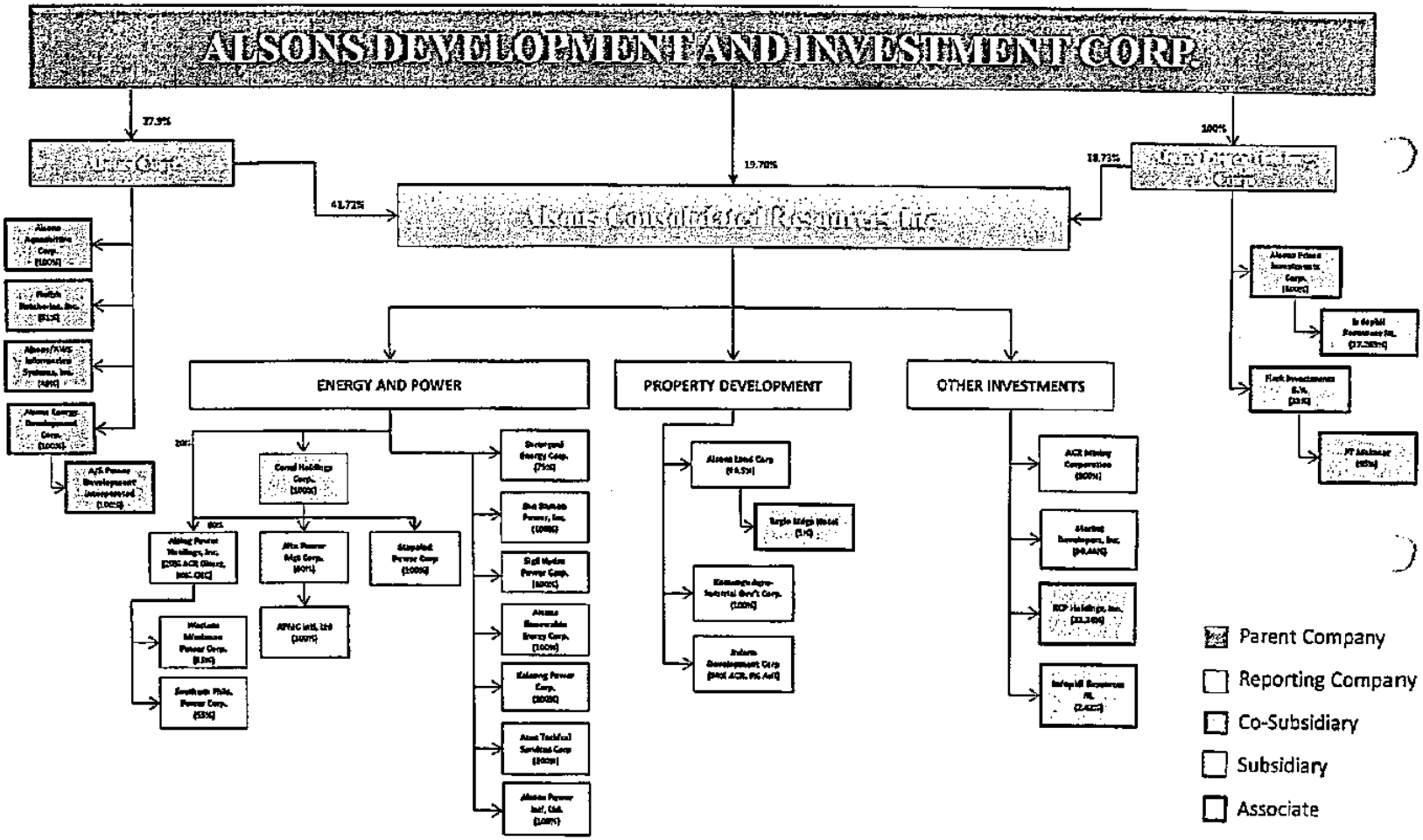
**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	3		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	3		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			3
	Amendments to PAS 39: The Fair Value Option			3
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			3
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	3		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition*		3	
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives*		3	
	Amendment to PAS 39: Eligible Hedged Items			3
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			3
PAS 40	Investment Property			3
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property*		3	
PAS 41	Agriculture			3
	Amendments to PAS 41: Bearer Plants*		3	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	3		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			3
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*	3		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			3
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			3
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			3
IFRIC 8	*Scope of PFRS 2*			3

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives	3		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	3		
IFRIC 10	*Interim Financial Reporting and Impairment*			3
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions			3
IFRIC 12	Service Concession Arrangements			3
IFRIC 13	Customer Loyalty Programmes			3
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	3		
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement	3		
IFRIC 15	Agreements for the Construction of Real Estate*		3	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			3
IFRIC 17	Distributions of Non-cash Assets to Owners			3
IFRIC 18	Transfers of Assets from Customers			3
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			3
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			3
IFRIC 21	Levies	3		
SIC-7	Introduction of the Euro			3
SIC-10	Government Assistance - No Specific Relation to Operating Activities			3
SIC-12	Consolidation - Special Purpose Entities			3
	Amendment to SIC-12: Scope of SIC 12			3
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			3
SIC-15	Operating Leases - Incentives			3
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			3
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	3		
SIC-29	Service Concession Arrangements: Disclosures			3
SIC-31	Revenue - Barter Transactions Involving Advertising Services			3
SIC-32	Intangible Assets - Web Site Costs			3

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2014. The Company did not early adopt these standards, interpretations and amendments.*


ALSONS DEVELOPMENT AND INVESTMENT CORP.
19.70%
41.72%
ENERGY AND POWER
PROPERTY DEVELOPMENT
OTHER INVESTMENTS
Parent Company
Reporting Company
Co-Subsidiary
Subsidiary
Associate

Additional Schedules
Balance Sheet

1. Accounts Receivable: Breakdown of Accounts Receivable as of December 31,2014

Accounts Receivable - Trade	Php877,969,262
Advances to Affiliates / Joint Ventures	2,944,690,536
Retention Receivable	115,393,178
Accounts Receivable - Others	
Advances to contractors and suppliers	9,041,164
Advances to officers and employees	1,035,740
Advances for Business expenses	6,417,085
Miscellaneous and other Receivables	134,079,059
Total Accounts Receivable	4,088,626,024
Less: Allowance for doubtful accounts	(80,483,915)
Accounts Receivable - Net	**Php4,008,142,109**

2. Prepaid Expenses and Other Current Assets as of December 31, 2014

Prepaid Expenses	
Input Tax	189,155,056
Creditable Withholding Tax	61,406,425
Refundable Deposit	32,829,270
Other Prepayments	43,274,306
	Php326,665,057

3. Accounts Payable and Accrued Expenses as of December 31, 2014

Accounts Payable - Trade	Php581,408,965
Payable to customers	301,443,388
Accrued Interest	161,841,990
Output tax and withholding tax payable	111,431,676.00
Other accrued expenses	117,857,427.00
Accrued vacation and sick leave benefits	31,602,417.00
Advances from customers	23,966,412.00
Other current liabilities	134,666,329.00
Total Accounts Payable & Accrued Expenses	**Php1,464,218,604**

Income Statement

1. Breakdown of Revenues and Cost of Goods Sold and Services (December 31,2014)

	Revenues		Cost	
	Continuing	Discontinued	Continuing	Discontinued
Real Estate	Php11,973,028		Php11,396,417	
Services	5,168,098,060		3,536,933,374	
Total	Php5,180,071,088	Php0	Php3,548,329,791	Php0

2. Operating and Administrative Expanses for the year ending December 31, 2014

	Continuing	Discontinued
Personnel costs	Php130,983,353	
Taxes and licenses	112,095,106	
Others	84,879,703	
Outside services	49,375,668	
Depreciation and amortization	34,395,712	
Transportation and travel	17,386,575	
Utilities	15,851,149	
Telephone, telegram and postage	8,723,736	
Supplies	7,348,282	
Directors' and executive fees and bonuses	3,099,000	
Commissions	1,089,983	
Insurance	997,569	
Representation	599,460	
Gas and oil	486,958	
Total	**Php467,312,254**	**Php0**

SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc. had the following consolidated subsidiaries as of December 31,2014:

Name	Jurisdiction
Alsons Land Corporation	Philippines
Conal Holdings Corp.	Philippines

ACRI BUSINESS CHART

	Percentage Held by ACRI	Percentage Held by ACR Subsidiaries	Principal Activities
ENERGY & POWER			
CONAL HOLDINGS CORPORATION	100.00		Holding Company
-ALSING POWER HOLDINGS INC.	20.00	80.00	Holding Company
-WESTERN MINDANAO POWER CORPORATION		55.00	Power Generation
-SOUTHERN PHILIPPINES POWER CORP.		55.00	Power Generation
-ALTO POWER MANAGEMENT CORPORATION		60.00	General and Technical Power Plant Management
-APMC INTERNATIONAL LIMITED		100.00	General and Technical Power Plant Management
-MAPALAD POWER CORPORATION		100.00	Power Generation
SARANGANI ENERGY CORPORATION	75.00		Power Generation
SIGUIL HYDRO POWER CORPORATION	100.00		Power Generation
KALAONG POWER CORPORATION	100.00		Power Generation
SAN RAMON POWER INC.	100.00		Power Generation
ALSONS RENEWABLE ENERGY CORPORATION	100.00		Holding Company
ALSONS POWER INTERNATIONAL LTD.	100.00		Power Generation
REAL ESTATE DEVELOPMENT			
ALSONS LAND CORPORATION	99.55		Property Development
OTHER INVESTMENTS			
ACR MINING CORPORATION (formerly ACR Management Corporation)	100.00		Exploration and Mining
MADE (Market Developers), INC.	80.44		Marketing and Distribution of Construction Material
KAMANGA AGRO-INDUSTRIAL ECOZONE DEVELOPMENT CORP.	100.00		Agro-Industrial Economic Zone
ACES TECHNICAL SERVICES CORPORATION	100.00		Management Services

ALSONS CONSOLIDATED RESOURCES, INC.
Schedule I: Computation of Public Ownership as of December 31,2014

		% to Total I/O Shares	Number of Shares
Number of Shares Issued and Outstanding			**6,291,500,000**
DIRECTORS:			
TOMAS I. ALCANTARA		0.0000%	1
EDITHA I. ALCANTARA		0.0016%	100,000
ALEJANDRO I. ALCANTARA		0.0000%	1
CARLOS G. DOMINGUEZ		0.0000%	100
TIRSO G. SANTILLAN JR.		0.0000%	1
RAMON T. DIOKNO		0.0000%	1
CONRADO C. ALCANTARA		0.0000%	1
HONORIO A. POBLADOR III		0.0000%	100
JACINTO C. GAVINO JR.		0.0000%	1
JOSE BEN R. LARAYA		0.0000%	100
THOMAS G. AQUINO		0.0000%	100
SUB - TOTAL		**0.0016%**	**100,406**
OFFICERS:			
TOMAS I. ALCANTARA	PRESIDENT	0.0000%	-
TIRSO G. SANTILLAN JR.	EXEC. VICE PRESIDENT	0.0000%	-
EDITHA I. ALCANTARA	TREASURER	0.0000%	-
LUIS R. YMSON JR.	CHIEF FINANCIAL OFFICER	0.0000%	-
ROBERTO SAN JOSE	CORPORATE SECRETARY	0.0080%	500,000
ANGEL M. ESGUERRA III	ASST. CORPORATE SECRETARY	0.0000%	-
SUB - TOTAL		**0.0080%**	**500,000**
PRINCIPAL STOCKHOLDERS:			
ALSONS CORPORATION		41.2100%	2,592,524,072
ALSONS POWER HOLDINGS CORP.		19.8700%	1,249,999,600
ALSONS DEV'T & INVESTMENT CORP.		18.8900%	1,188,524,026
SUB - TOTAL		**79.9700%**	**5,031,047,698**
TOTAL SHARES HELD BY DIRECTORS, OFFICERS, PRINCIPAL STOCKHOLDERS & AFFILIATES		**79.9796%**	**5,031,648,104**
TOTAL NUMBER OF SHARES OWNED BY THE PUBLIC		**20.0204%**	**1,259,851,896**

Alsons Consolidated Resources, Inc. and Subsidiaries
Schedule of Financial Soundness

Financial KPI	Definition	Years Ended December 31	
		2014	2013
Liquidity Current Ratio / Liquidity Ratio	Current Assets / Current Liabilities	3.15:1	2.69:1
Solvency Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable / (Capital Stock+Non-controlling interest+RE)	1.47:1	0.73:1
Interest Rate Coverage Ratio Interest Rate Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	6.17:1	7.82:1
Profitability Ratio Return on Equity	Net Income / Total Average Stockholders' Equity	7%	7%
Asset-to-Equity Ratio Asset-to-Equity Ratio	Total Assets / Total Equity	2.47:1	1.61:1

Exhibit 3

Alsons Consolidated Resources, Inc. and Subsidiaries

Reports on SEC Form 17-C filed during the Year Ended December 31, 2014

Summary Report of SEC Form 17-C filed during the year ended 31 December 2014 is attached together with this report:

Date Filed	Description
28 January 2014	An Advisory on the Attendance of the Board of Directors at 2013 Board Meetings.
07 February 2014	An Advisory on the date of the Annual Stockholders' Meeting of the Company on 23 May 2014 and the record date on 15 April 2014.
11 March 2014	A reply to the Securities and Exchange Commission's letter and updates on the "Annual Corporate Goverance Report" in compliance with the SEC Memorandum Circular No. 1, Series of 2014.
20 March 2014	A reply to the "PSE Corporate Governance Guidelines Disclosure Survey" in compliance with PSE Memorandum No. 2014-0002 dated January 10, 2014.
28 March 2014	An advisory on the results of the Board meeting, reported that ACR Revenues Rise 61% in 2013; the approval by the Board of Directors of the amendment of the ACR's Articles of Incorporation to specify the complete address of the principal place of the office; An advisory setting the date of the regular Annual Stockholders' Meeting to be held on 23 May 2014, the record date on 15 April 2014; the approval of the audited financial statements for year ended 31 December 2013 and the Board approval on the additional appropriation of P850Million from retained earnings for its expansion projects.
12 May 2014	Approval of the Interim Unaudited First Quarter Financial Statements and a press statement disclosing that Alsons Consolidated Resources, Inc Q1 2014 Income Up 59% on 134% Revenue Growth.
23 May 2014	Notice of Cash Dividend Declaration in the amount of P0.016 per share out of unrestricted retained earnings as of 31 December 2013, stockholders of record as of 30 June 2014 and payable on 24 July 2014.
23 May 2014	A press release disclosing that Alsons Consolidated Resources to focus on expanding power generation in Mindanao.
23 May 2014	Disclosure on the Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on 23 May 2014 at Mandarin Oriental Hotel.
26 May 2014	A reply to the PSE query on the news article entitled: "Alsons Targets 1,000-MW power capacity by 2020" in the 26 May 2014 issue of the Philippine Daily Inquirer confirming the contents of the article.
25 June 2014	A reply to the PSE query on the news article entitled: "Alsons Consolidated planning 20-MW General Santos Solar Project" posted in the Business World Online on 25 June 2014 confirming the contents of the article.

31 July 2014	Disclosure on the "Revised Manual on Corporate Governance" in compliance with SEC Memorandum Circular No. 9, Series of 2014.
11 August 2014	Approval of the Unaudited Second Quarter Financial Statements and a press statement disclosing that "Alsons Consolidated Resources, Inc. first half of 2014 income up 23% on 113% revenue growth."
3 October 2014	A reply to the PSE query on the news article entitled: "Alsons unit San Ramon Power signs Zamboanga supply deal" posted in the Business World Online on October 2, 2014 confirming the contents of the article.
27 October 2014	A press statement disclosing that Alsons Consolidated Resources, Inc., Secures $73.5 Million Loan"
10 November 2014	Approval of the Unaudited Third Quarter Financial Statements and a press statement by the Company disclosing that "Alsons Consolidated Resources board beefs up capital in mining subsidiary as Iligan power plant operations drive 9-month 2014 revenues up to 66% to ₱3.9billion."
11 December 2014	An advisory of the year-end Investor's Meeting of the Company on 17 December 2014.
15 December 2014	Certificates of Completion in Corporate Governance Seminar of the Directors and Key Officers of the Company.
18 December 2014	A press statement entitled "Alsons On-Track to Expand Mindanao Power Business, issued after the Investor's Briefing."

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PRESS RELEASE ENTITLED "ALSONS ON-TRACK TO EXPAND MINDANAO POWER BUSINESS"

Background/Description of the Disclosure

PLEASE REFER TO THE ATTACHED PRESS STATEMENT

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

December 18, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons On-Track to Expand Mindanao Power Business", issued after the Investors' briefing held on December 17, 2014.

Thank you.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2014-16

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources, Inc.
lry@alcantaragroup.com (02) 982 3026

Alsons On-Track to Expand Mindanao Power Business

Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, reported that the company is on track to significantly expand its power generation business in Mindanao by 2018. In an investors' briefing held on December 17 2014, ACR Chief Financial Officer Luis R, Ymson, Jr. declared that the five-fold expansion in power generation announced by the company in its annual stockholders meeting last June moved a step closer to achieving fruition with the impending completion by 2015 of the construction of the first 105 MW section of ACR's 210 MW Sarangani Energy Corporation (SEC) coal-fired power plant in Maasim, Sarangani Province. The first section of the SEC plant is already 89% complete and will begin commissioning in the first half of 2015 and commence operating in October of 2015. The SEC plant is expected to reach its full 210 MW capacity within the 4th quarter of 2016. SEC's 210 MW plant is one of the first new baseload power plants that will be operating by 2015 to help provide a sustainable and lasting solution to the four-year-old Mindanao power shortage.

In the same briefing, Mr. Ymson revealed that the next steps in ACR's five-fold expansion plan will be the commencement in 2015 of the construction of two key power projects: the 105 MW San Ramon Power, Inc. (SRPI) coal-fired power plant in Zamboanga City and a 17 MW run –of –river hydroelectric plant at the Siguil River in Maasim, Sarangani Province. The SRPI coal plant which will service Zamboanga City and other nearby areas is scheduled to begin operating before the end of 2018 while the Siguil hydro facility is likewise slated to be operational by 2018.

Mr. Ymson related that ACR's five-fold expansion plan began with the company's reacquisition and rehabilitation of the Iligan Diesel Power Plant (IDPP) in early 2013. The IDPP completed rehabilitation and began re-operating under the name of Mapalad Power Corporation (MPC) in May of 2013 and now has a capacity of 103 MW. Aside from MPC's Iligan diesel plant ACR also currently operates the 100 MW Western Mindanao Power Corporation (WMPC) diesel plant in Zamboanga City and the 55 MW Southern Philippines Power Corporation (SPPC) diesel plant in Alabel, Sarangani Province.

The ACR CFO revealed that ACR-affiliated power facilities are expected to generate a total of 468 MW by 2016 accounting for more than 25% of Mindanao's projected peak demand for that year. He went on to state that with the completion of ACR's five-fold expansion by 2018, the combined capacities ACR's power plants will be at 590 MW- almost 30% of the projected peak power demand of the island. Mr. Ymson told participants in the briefing that he expected a "quantum leap" in revenues for ACR as the company's new power facilities begin to come on stream from 2015 to 2018.

###

C06665-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Dec 18, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila,Philippines
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK PhP1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    -

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

112182014000511

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax:(632)725-5293Email:mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Dhanil Curañes
Receiving Branch : SEC Head Office
Receipt Date and Time : December 18, 2014 10:31:53 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000059366
Company Name	ALSONS CONSOLIDATED RESOURCES INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	112182014000511
Document Type	LETTER/MISC
Document Code	LTR
Period Covered	December 15, 2014
No. of Days Late	0
Department	CED/CFD/CRMD/MRD/NTD
Remarks	

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tuazo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

December 15, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

In compliance with the SEC Memorandum Circular No. 20, Series of 2013 and with the the Disclosure Rules of the Philippine Stock Exchange, we are submitting herewith the sworn certification of Directors' Attendance in Corporate Governance Seminar and copies of the Certificates of Completion of the directors and key officers of Alsons Consolidated Resources, Inc.

Thank you and best regards.

Very truly yours,

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Alternate Corporate Information Officer
Encl/
legal/PSE-SEC17-c2014-10

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

CERTIFICATION OF DIRECTORS' ATTENDANCE IN CORPORATE GOVERANCE SEMINAR

I, **ANGEL M. ESGUERRA, III**, Filipino, of legal age, with office and postal address at the 3rd Floor, ALSONS Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, after being duly sworn in accordance with law, depose and say that:

I am the incumbent Assistant Corporate Secretary and Alternate Corporate Information Officer of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office and postal address at ALSONS Building, 2286 Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City, Metro Manila;

The following directors and key officers of the Corporation who were assumed office had attended Seminar on Corporate Governance:

Name	Date(s) Seminar Attended	Seminar Topic(s)	Accredited Service Provider
Tomas I. Alcantara (Chairman & President)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Editha I. Alcantara (Director-Treasurer)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Carlos G. Dominguez (Director)	09 June 2014	Corporate Governance	Center for Training and Development, Inc.
Tirso G. Santillan, Jr. (Director-EVP)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Honorio A. Poblador, III (Director)	18 February 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Ramon T. Diokno (Director)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.

Jose Ben R. Laraya (Independent Director)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Thomas G. Aquino (Independent Director)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Luis R. Ymson, Jr. (Chief Financial Officer & Compliance Officer	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Roberto V. San. Jose (Corporate Secretary)	18 February 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Angel M. Esguerra, III (Assistant Corporate Secretary)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Esperidion D. Develos, Jr. (Chief Audit Executive)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Sylvia M. Duque (Nomination Committee)	07 November 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.

IN WITNESS HEREOF, I have hereunto set my hand this DEC 16 2014 at Makati City, Metro Manila.

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary
& Alternate Corporate Information Officer

SUBSCRIBED AND SWORN to before me this DEC 16 2014, with the presentation of his Passport No. EB5579139 issued at DFA, Manila on June 6, 2012.

Doc. No. 124 ;
Page No. 26 ;
Book No. LIX ;
Series of 2014.
acr/certn-dirattend-CG2014

IRENEO UGALDE, III.
Notary Public
Until December 31, 2015
Commission No. M-14
SC Roll No. 22596
IBP OR No. 944109 / 10-17-13
PTR OR No. 4225502 / 1-2-14
Unit 304 Guadalupe Commercial Complex
Guadalupe Nuevo, Makati City

C06515-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Dec 11, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock PhP1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    1

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 14-1 - Notice of Analysts'/Investors' Briefing
References: Section 14 of the Revised Disclosure Rules

Subject of the Disclosure

NOTICE OF INVESTORS' BRIEFING

Background/Description of the Disclosure

ACR will hold a year-end investors' briefing at the offices of the Alsons' Power Group at the 4th Floor, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City, Metro Manila, on Wednesday, 17 December 2014, at 3:00 p.m.

Type of Briefing	Investor's Briefing
Subject of the Briefing	Notice of the Investors' Briefing
Date of the Briefing	Dec 17, 2014
Time	3:00 PM
Venue	Alsons' Power Group at the 4/F Alphaland Southgate Tower, 2268 Chino Roces Avenue corner EDSA, Makati City
Contact Person	LUIS R. YMSON, JR. / ANGEL M. ESGUERRA, III
Contact Details	lry@alcantaragroup.com / aesguerra@alcantagroup.com

Other Relevant Information

Please see attached Notice of Investor's Briefing

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

December 11, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.
Notice of Investors' Briefing

Dear Madam:

Please be advised that the Company will hold a year-end investor's briefing at the offices of the Alsons' Power Group at the 4th Floor, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City, Metro Manila, on Wednesday, 17 December 2014, at 3:00 o'clock in the afternoon.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer

C05880-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Nov 10, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS Buildings, 2286 Chino Roces Avenue, Makati City,
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    PRESS RELEASE

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PRESS STATEMENT ENTITLED "ALSONS CONSOLIDATED RESOURCES BOARD BEEFS UP CAPITAL IN MINING SUBSIDIARY AS ILIGAN POWER PLANT OPERATIONS DRIVE 9-MONTH 2014 REVENUES UP 66% TO P3.9 BILLION"

Background/Description of the Disclosure

PLEASE SEE ATTACHED

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

November 10, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are pleased to inform the Exchange that the Board of Directors of Alsons Consolidated Resources, Inc. approved on Friday, 07 November 2014 the Unaudited Third Quarter Financial Statements of the Company.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Consolidated Resources board beefs up capital in mining subsidiary as Iligan power plant operations drive 9-month 2014 revenues up 66% to P3.9 Billion.".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2014-13

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources, Inc.
lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources board beefs up capital in mining subsidiary as Iligan power plant operations drive 9-month 2014 revenues up 66% to P3.9 Billion.

In a meeting of the board of directors on November 7, 2014 and as disclosed to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, approved an increase in authorized capital of wholly-owned subsidiary ACR Mining Corporation from P5 Million to P500 Million. This increase will enhance its financial capability in pursuing opportunities in the mining industry starting with the development of its mining assets in the Compostela Valley in Mindanao.

ACR also reported a 66% increase in revenues for the first nine months of 2014, to P3.9 Billion from P2.3 Billion in the same period in 2013. The 103 MW Mapalad Power Corporation (MPC) diesel plant in Iligan City was the main contributor to the revenue increase for the nine month period. The MPC plant has been operating for over a year since its re-acquisition and rehabilitation by ACR in early 2013. The Iligan diesel plant currently provides power to the cities of Iligan, General Santos, Zamboanga, Butuan, Bayugan, Dapitan, Dipolog, and Pagadian as well as key areas in the provinces of Sarangani, South Cotabato, Agusan del Norte, Agusan del Sur, Zamboanga del Norte, and Zamboanga del Sur.

Consolidated net income for the period was 24% lower at P606.7 Million from P793.2 Million in the first nine months of 2013 due to higher interest expenses and foreign exchange losses. Net income attributable to the parent was 7% lower at P339 Million from P363.3 Million for the first nine months of 2013. Earnings per share for the first nine months of 2014 was commensurately lower at P0.054 per share as against P0.058 per share for the same period in 2013.

At the end of 2014 full year consolidated net income is expected to rise at least 6% to P891.32 Million from P837.18 Million in 2013. Full year net income attributable to the parent in 2014 is likewise expected to grow at least 6% to P496.25 Million from P466.87 Million in 2013. Earnings per share for 2014 is thus anticipated to increase as well by at least 6% to P0.079 to P0.074 in 2013.

Apart from the MPC plant, ACR currently operates two other diesel power plants in Mindanao: the Southern Philippines Power Corporation's (SPPC) 55 MW plant in Alabel, Sarangani and the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City.

ACR is also developing coal-fired power plants to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani. The SEC plant is one of only two baseload power plants that will be operating by 2015 to help provide a sustainable and lasting solution to the four-year-old Mindanao power shortage. The first 105 MW section of the SEC plant is currently under construction and is already 82% complete. The first 105 MW section of the plant will begin the process of commissioning in May of 2015 and will commence operations by October of 2015. The SEC plant is expected to reach its full 210 MW capacity by the 4th quarter of 2016 or within the first half of 2017.

Alsons Consolidated Resources, Inc.

ACR will be embarking on renewable energy projects, particularly in run of river hydroelectric plants as well as solar power. The first of these projects is a 16 MW hydroelectric facility at the Siguil River in Maasim, Sarangani. The Siguil project is currently in the advanced stages of development and is expected to commence construction in 2015.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

C05680-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Oct 27, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Press Release

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Statement entitled "ALSONS CONSOLIDATED RESOURCES, INC. SECURES $73.5 MILLION LOAN"

Background/Description of the Disclosure

(Please see attached)

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 27, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Consolidated Resources, Inc., Secures $73.5 Million Loan ".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2014-12

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources
lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources, Inc. Secures $73.5 Million Loan

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, reported that it has signed a $73.5 Million long term loan with a consortium of Philippine and foreign banks arranged by UBS AG (Singapore). ACR will utilize the loan to partially fund its power development projects in Mindanao and repay debts. ACR chairman Tomas I. Alcantara cited UBS AG for their successful completion of the facility and also thanked the lending banks for their support and trust in ACR.

ACR is developing coal-fired power plants to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani.

The SEC plant is one of only two power plants that will be operating by 2015 to help provide a sustainable and lasting solution to the four-year-old Mindanao power shortage. The first 105 MW section of the SEC plant is currently under construction and is already 76% complete. The plant will begin the process of commissioning in May of 2015 and will commence operations by October of 2015. The SEC plant is expected to reach its full 210 MW capacity by the 4th quarter of 2016 or within the first half of 2017.

Apart from the coal fired power plants which are under development, ACR currently operates three diesel power plants in Mindanao. ACR's diesel-fired power generation facilities are: the Southern Philippines Power Corporation's (SPPC) 55 MW plant in Alabel, Sarangani, the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City, and the 103 MW Mapalad Power Corporation (MPC) plant in Iligan City. All three power facilities are contributing to alleviate the power shortage in Mindanao.

ACR is also embarking on renewable energy projects, particularly in run of river hydroelectric plants as well as solar power. The first of these projects is a 16 MW hydroelectric facility at the Siguil River in Maasim, Sarangani. The Siguil project is currently in the advanced stages of development and is expected to commence construction in 2015.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

C05220-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Oct 3, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BUILDING 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    CLARIFICATION OF NEWS REPORT

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CLARIFICATION TO NEWS REPORT ENTITLED "ALSONS UNIT SAN RAMON POWER SIGNS ZAMBOANGA SUPPLY DEAL" POSTED IN BUSINESS WORLD ONLINE ON OCTOBER 2, 2014

Source	BUSINESS WORLD ONLINE
Subject of News Report	ALSONS UNIT SAN RAMON POWER SIGNS ZAMBOANGA SUPPLY DEAL
Date of Publication	Oct 2, 2014

Clarification of News Report

PLEASE SEE ATTACHED

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 3, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.
News article in the Business World Online

Dear Madam:

We reply to your email dated October 3, 2014 with regard to the attached news article entitled " Alsons unit San Ramon Power signs Zamboanga supply deal" posted in Business World Online on October 2, 2014, which reported, among others, the following:

"SAN RAMON Power, Inc. (SRPI), a unit of listed Alsons Consolidated Resources, Inc., has secured regulatory approval for its 25-year supply deal with a power distributor in Zamboanga.

In a decision dated Sept. 15 and released yesterday, the Energy Regulatory Commission approved the power sales agreement (PSA) between SRPI and Zamboanga City Electric Cooperative, Inc. (ZAMCELCO).

Under the newly approved deal, SRPI will construct, own, operate, manage and maintain a 105-megawatt (MW) coal-fired power plant in Talisayan, Zamboanga City.

Of the total capacity, up to 85 MW will be supplied to ZAMCELCO over a period of 25 years.

'The rate to be paid by ZAMCELCO to SRPI depends on whether the power is delivered during commissioning or during the commercial operations of the SRPI power plant,' the decision stated.

The document showed that the plant will start commercial operations within 36 months upon the effectiveness of the PSA.

. . . ."

We confirm the information written in the above article.

Very truly yours,

ANGEL M. ESGUERRA
Compliance Officer and
Assistant Corporate Secretary

C04327-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Aug 11, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Press Release

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Statement entitled "ALSONS CONSOLIDATED RESOURCES, INC. FIRST HALF OF 2014 INCOME UP 23% ON 113% REVENUE GROWTH"

Background/Description of the Disclosure

(Please see attached)

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

August 11, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporation Finance Department
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Gentlemen:

We are pleased to inform the Exchange that the Board of Directors of Alsons Consolidated Resources, Inc. approved on Friday, August 8, 2014 the Unaudited Second Quarter Financial Statements of the Company.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Consolidated Resources Inc. first half of 2014 income up 23% on 113% revenue growth".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2014-10

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources
lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources, Inc. first half of 2014 income up 23% on 113% revenue growth

In a disclosure to the Philippine Stock Exchange (PSE) Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group – reported a 23% rise in net income attributable to the parent for the first half of 2014, to P215.9 Million from P174.9 Million in the same period for 2013. The disclosure was made after an onsite meeting of the ACR board of directors in General Santos City where the board also toured the construction site of ACR's 210 MW Sarangani Energy Corporation (SEC) power plant.

The income contribution from wholly- owned ACR subsidiary Mapalad Power Corporation (MPC) was the main driver of the 23% upsurge in ACR's parent-attributable net income. MPC is the owner and operator of the 103 MW Iligan Diesel Power Plant which began operating in May of 2013.

ACR's revenues for the first half grew by 113% to P2.58 Billion from P1.21 Billion in the same period last year coming mainly from the revenue contribution of MPC which includes the cost of fuel – a pass thru item. Earnings per share of the company improved to P0.034 in the first half of 2014 as against P0.028 for the first half of 2013.

Consolidated net income for the period, however, was 11% lower at P421 Million from P513.8 Million in the first half of 2013 as the previous year's figures still included income from former ACR subsidiary Lima Land, Inc. ACR divested itself from Lima Land in 2013 in order to shift its core focus to power generation particularly in the island of Mindanao. This divestment was however offset by the decision to reacquire and operate MPC which led to a higher net income attributable to the parent for the first half of 2014.

Following its divestment of Lima Land, Inc., ACR's power generation subsidiaries are now the main contributors to the company's revenue growth. Apart from the 103 MW MPC diesel plant in Iligan City, ACR's diesel-fired power generation facilities also include the Southern Philippines Power Corporation's (SPPC) 55 Mega Watt (MW) plant in Alabel, Sarangani and the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City.

The SPPC and WMPC plants supply power directly to the Mindanao grid via the National Power Corporation (NPC) and the Power Sector Assets and Liabilities Management Corporation (PSALM) under an Energy Conversion Agreement (ECA) between the two plants and NPC/PSALM. The ECA agreement also provides that fuel costs for the two plants are shouldered by NPC/PSALM. Unlike the two plants under ECA with NPC/PSALM the Mapalad Power Corporation plant is a merchant plant that directly supplies power to electric cooperatives and other distribution utilities. All three power facilities are contributing to alleviate the power shortage in Mindanao.

Alsons Consolidated Resources, Inc.

Aside from the diesel power plants, ACR is also developing coal-fired facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani.

The SEC plant is one of only two power plants that will be operating by 2015 to help provide a sustainable and lasting solution to the four-year-old Mindanao power shortage. According to the Department of Energy, Mindanao's power demand is growing at a rate of 4.57% every year and thus more baselaod plants need to come online in order to fully resolve the shortage.

SEC will begin operating with an initial capacity of 105 MW in October of 2015 and will reach full 210 MW capacity in 2016 .ACR owns 75% of SEC with 25% equity held by Toyota Tsusho Corporation (TTC), the trading company of the Toyota Group.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over 50 years.

###

I.C.T.D. S
JUL 3 1 2014
E
C

ALSONS CONSOLIDATED RESOURCES, INC.
REVISED MANUAL ON CORPORATE GOVERNANCE
(Revised in Compliance with SEC Memorandum Circular No. 6, Series of 2009 and SEC Memorandum Circular No. 9, Series of 2014)

The Board of Directors and Management, i.e. officers and staff, of Alsons Consolidated Resources, Inc. (the "Corporation") hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals. As our operating subsidiaries are also instrumental in the attainment of our corporate goals this Manual to the extent applicable shall also serve as a guide in their management and operations.

OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

Article 1: Definition of Terms

a) Code – The Corporate Governance Code promulgated by the Securities and Exchange Commission, as amended.

b) Corporate Governance – the framework of rules, systems and processes in the Corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to the stockholders *and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates* ;

c) Board of Directors – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties;

d) Exchange – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities;

e) Management – the body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Corporation;

f) Independent director – a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director;

g) Executive director – a director who is also the head of a department or unit of the Corporation or performs any work related to its operation;

h) Non-executive director – a director who is not the head of a department or unit of the Corporation nor performs any work related to its operation;

i) Non-audit work – the other services offered by an external auditor to a Corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor;

j) Internal control – the system established by the Board of Directors and Management for the accomplishment of the Corporation's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;

k) Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Corporation is exposed;

l) Internal audit – an independent and objective assurance activity designed to add value to and improve the Corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;

m) Internal audit department – a department or unit of the Corporation and its consultants, if any, that provide independent and objective assurance services in order to add value to and improve the Corporation's operations;

n) Internal Auditor – the highest position in the Corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

o) Commission – refers to the Securities and Exchange Commission (SEC).

Article 2: Rules of Interpretation

A) All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

B) All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.

Article 3: Board Governance

The Board of Directors (the "Board") is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

A. Composition of the Board

The Board shall be composed of such number of directors as provided in the Corporation's Articles of Incorporation subject to their election and qualification.

The Board shall have at least two (2) independent Directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

B. Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

C. The Chair and Chief Executive Officer

The roles of Chair and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.

If the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

i. Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;

ii. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and

iii. Maintain qualitative and timely lines of communication and information between the Board and Management.

D. Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:

i. College education or equivalent academic degree;

ii. Practical understanding of the business of the Corporation;

iii. Membership in good standing in relevant industry, business or professional organizations; and

iv. Previous business experience.

E. Disqualification of Directors

i. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or

under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

c) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

d) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;

e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the Corporation;

f) Any person judicially declared as insolvent;

g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of facts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (l) to (v) above;

h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

ii. Temporary Disqualification

The Board may provide for the temporary disqualification of a director for any of the following reasons:

a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.

c) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.

d) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

e) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the qualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

F. Responsibilities, Duties and Functions of the Board

i. General Responsibility

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of *its stockholders and other stakeholders.*

The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

ii. Duties and Functions

To ensure a high standard of best practice for the Corporation, *its stockholders and other stakeholders*, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

a) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.

b) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.

c) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.

d) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.

e) Identify the Corporation's *stakeholders* in the community in which it operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.

f) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.

g) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.

h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint venture, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

i) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

j) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.

k) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

l) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.

m) Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

G. Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director should observe the following norms of conduct:

i. Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests.

He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.

ii. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

A director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

iii. Act judiciously.

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

iv. Exercise independent judgment.

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the Corporation.

v. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.

A director should also keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.

vi. Observe confidentiality.

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

H. Internal Control Responsibilities of the Board

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

i. The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

   a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Corporation's organizational and operational controls;

   b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

   c) Evaluation of proposed senior management appointments;

   d) Selection and appointment of qualified and competent management officers; and

   e) Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

ii. The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture, volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

iii. The Corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The internal audit system may include the establishment of an internal audit process in the subsidiaries to support the internal audit requirements of the Corporation. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

I. Board Meetings and Quorum Requirement

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, corporations shall submit to the Commission, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

J. Remuneration of Directors and Officers

The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

Corporations may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Corporation. No director should participate in deciding on his remuneration.

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of a corporation, the Commission may, in exceptional cases, e.g. when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe to its directors and officers.

K. Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance.

i. The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee shall have the following functions:

   a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

c) Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

d) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination of more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

g) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;

h) Review the reports submitted by the internal and external auditors;

i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;

l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

ii. The Board may also organize the following committees:

a) A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;

b) A Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

L. The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should -

i. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation; such responsibility may be delegated to the legal department of the Corporation.

ii. Be loyal to the mission, vision and objectives of the Corporation;

iii. Work fairly and objectively with the Board, Management and stockholders <u>and other stakeholders;</u>

iv. Have appropriate administrative and interpersonal skills;

v. If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;

vi. Have a working knowledge of the operations of the Corporation;

vii. Inform the members of the Board, in accordance with the by-laws of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

viii. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;

ix. Ensure that all Board procedures, rules and regulations are strictly followed by the members; and

x. If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

M. The Compliance Officer

The Board shall appoint a Compliance Officer who shall report directly to the Chair of the Board. He shall perform the following duties:

i. Monitor compliance by the Corporation with this Code and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;

ii. Appear before the Commission when summoned in relation to compliance with this Code; and

iii. Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Code for the completed year and, if there are any deviations, explain the reason for such deviation.

Article 4: Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the Corporation's expense.

Article 5: Accountability and Audit

A) The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the Corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

i. The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Corporation for the benefit of all *stockholders and other stakeholders;*

iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

iv. The Corporation should consistently comply with the financial reporting requirements of the Commission;

v. The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

B) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the Corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

Article 6: Stockholders' Rights and Protection of Minority Stockholders' Interests

A. The Board shall respect the rights of the stockholders as provided for in the Corporation's Articles of Incorporation and the Corporation Code; namely:

i. Right to vote on all matters that require their consent or approval;

ii. Right to inspect corporate books and records;

iii. Right to information;

iv. Right to dividends; and

v. Appraisal right.

The pre-emptive right is denied under the Corporation's Articles of Incorporation.

B. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be appraised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholders' favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, minority stockholders may request in writing the holding of meetings and the items for discussion in the agenda that relate directly to a legitimate purpose and the

business of the Corporation, subject to the requirement under the By-laws that such requesting stockholder is the holder of record of not less than one-fourth of the outstanding voting capital stock of the Corporation.

Article 7: Governance Self-Rating System

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Manual.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Corporation's annual report.

Article 8: Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

It is therefore essential that all material information about the Corporation which could adversely affect its viability or the interests of *its stockholders and other stakeholders* should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board shall therefore commit at all times to full disclose of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Article 9: Commitment to Good Corporate Governance

The corporate governance rules that the Corporation may establish and implement in accordance with the Code shall be embodied in a Manual that can be used as reference by the members of the Board and Management.

The Manual shall be made available for inspection by any shareholder at reasonable hours on business days.

Article 10: Regular Review of the Code and the Scorecard

To monitor compliance with this Manual, the Corporation will accomplish annually a scorecard on the scope, nature and extent of the actions which have been taken to meet the objectives of this Code.

Article 11: Administrative Sanctions

Any violation of the mandatory provisions of this Manual shall be subject to the sanctions provided under the Code, as may be amended from the time to time.

Makati City, July 31, 2014.

Signed:

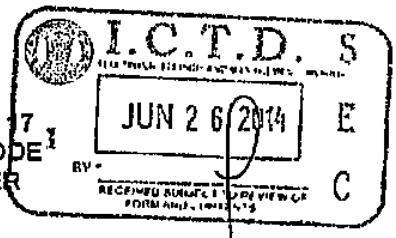
ALSONS CONSOLIDATED RESOURCES, INC.
By:

TOMAS I. ALCANTARA
Chairman of the Board/President

C03423-20

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C



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

1. Date of Report (Date of earliest event reported)
   Jun 25, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein

Wednesday, 25 June, 2014 11:44 AM

Clarification of News Report

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CLARIFICATION TO NEWS REPORT ENTITLED "ALSONS CONSOLIDATED PLANNING 20-MW GENERAL SANTOS SOLAR PROJECT" POSTED IN THE BUSINESS WORLD ONLINE ON JUNE 25, 20

Source	BUSINESS WORLD ONLINE
Subject of News Report	ALSONS CONSOLIDATED PLANNING 20-MW GENERAL SANTOS SOLAR PROJECT
Date of Publication	Jun 25, 2014

Clarification of News Report

PLEASE SEE ATTACHED.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Wednesday, 25 June, 2014 11:44 AM

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

June 25, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.
News article in the Business World Online

Dear Madam:

We reply to your email dated June 25, 2014 with regard to the attached news article entitled: "Alsons Consolidated planning 20-MW General Santos Solar Project" posted in the *Business World Online* on June 25, 2014, which reported, among others, the following:

> "AS PART of its plan to focus on renewable energy development in the coming years, Alsons Consolidated Resources, Inc. (ACR) is moving to partner with a local developer for a 20-megawatt (MW) solar project in General Santos City.
>
> Joseph C. Nocos, company vice-president for business development, declined to identify the potential partner.
>
> 'Renewable energy is integral part of any long-term power generation industry,' Mr. Nocos said in an interview on Tuesday. 'We are working on renewable energy in a substantive and reasonable way.'
>
> Regarding the project timetable, Mr. Nocos said: 'We're timing the operations with the requirement (of the local electric cooperative) but we're targeting 2016 for the commercial operations.'
>
> He noted that solar is one of the fastest types of power project to develop because it takes less than a year to be commissioned.
>
> Investment for the project has yet to be finalized but a solar plant usually costs $2.5 million per MW.
>
> . . . ."

Besides solar, the company is looking at hydropower projects exceeding 100 MW.

To jump-start its investment in renewable energy, the company will work on a 17-MW hydro plant that will be built along the Siguil River in the municipality of Maasim in Sarangani.

. . . ."

We confirm the article stated above and add that this planned solar power project was reported in the Annual Stockholders meeting of the Company last May 23, 2014.

We trust that we have fully answered your query and that all trading participants shall be properly informed.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

http://edge.pse.com.ph/downloadHtml.do?file_id=44053

I.C.T.D. S
MAY 2 2014
5
BY:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS
C

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 26, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Clarification to News Reports

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

Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

CLARIFICATION TO NEWS REPORTS ENTITLED " ALSONS TARGETS 1,000-MW POWER CAPACITY BY 2020" POSTED IN THE PHILIPPINE DAILY INQUIRER ON MAY 26, 2014

Source	PHILIPPINE DAILY INQUIRER
Subject of News Report	ALSONS TARGETS 1,000-MW POWER CAPACITY BY 2020
Date of Publication	May 26, 2014

Clarification of News Report

PLEASE SEE ATTACHED.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 26, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.
News article in the Philippine Daily Inquirer

Dear Madam:

We reply to your email dated May 26, 2014 with regard to the attached news article entitled: "Alsons Targets 1,000-MW power capacity by 2020" posted in the *Philippine Daily Inquirer* on May 26, 2014, which reported, among others, the following:

> "Alsons Consolidated Resources Inc. "ALSONS Consolidated Resources Inc. (ACR), the publicly-listed company of the Alcantara Group, is expanding its power generation business to a capacity of 1,000 megawatts (MW) by 2020.
>
> On the sidelines of the company's annual stockholders meeting, ACR chair and president Tomas I. Alcantara told reporters, 'What is going online are the three plants: SEC 1 (Sarangani Energy Corp.), SEC2, and SRPI (San Ramon Power, Inc.). Then we have the hydros. And then we are counting on the 400-MW power requirement that Tampakan (copper-gold project of Sagittarius Mines Inc.) will be needing.'
>
> ACR executive vice president Tirso G. Santillan Jr., who is also CEO of energy arm Alsons Power, said the group would have 590MW in capacity by 2019 and then this raise to 1000MW or more by 2020.
>
> . . . "

We confirm the statements made by Chairman Tomas I. Alcantara and Executive Vice President, Tirso G. Santillan, Jr. during an interview with reporters from five publications after the ACR annual stockholders meeting held last Friday, May 23, 2014.

This also clarifies that the statements made by our Chairman and our EVP were made in an interview conducted "after" the stockholders meeting and were thus not covered in the release we sent to the Exchange.

We hope this clarifies the information contained in said article.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

I.C.T.D. 002770-2014
MAY 27 2014
BY:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 23, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BUILDING, 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    PRESS RELEASE

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

Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

PRESS STATEMENT ENTITLED " ALSONS CONSOLIDATED RESOURCES TO FOCUS ON EXPANDING POWER GENERATION IN MINDANAO""

Background/Description of the Disclosure

PRESS STATEMENT ENTITLED " ALSONS CONSOLIDATED RESOURCES TO FOCUS ON EXPANDING POWER GENERATION IN MINDANAO""

Other Relevant Information

PLEASE SEE ATTACHED.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 23, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Consolidated Resources to focus on expanding power generation in Mindanao".

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-c2014-07

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources, Inc.
lry@alcantaragroup.com (02) 982 3026

Tirso G. Santillan, Jr., Executive Vice President, Alsons Consolidated Resources, Inc.
Chief Executive Officer, Alsons Power
tgsagc@globenet.com.ph (02)823 7225

Alsons Consolidated Resources to focus on expanding power generation in Mindanao

In a bid to maximize the potential of Mindanao, Alsons Consolidated Resources, Inc. (ACR), the publicly-listed company of the Alcantara Group, announced plans to expand its power generation business in the region during its recent annual stockholders meeting.

ACR chairman and president Tomas I. Alcantara emphasized the company's vision of strengthening the power generation business in the South by enumerating ACR's five-fold expansion.

"Our strong commitment to the energy and power business in Mindanao is a carefully calculated strategy that the company has decided to adopt, in recognition of the tremendous opportunities available to those who are both decisive and prepared to act in this market," Alcantara stressed.

Alcantara reported the company's re-acquisition and rehabilitation of Mapalad Power Corporation (MPC), the first of ACR's expansion efforts. MPC's operations commenced on May 2013 in time to provide needed power for the 2013 midterm elections. MPC is now operating at a capacity of 103 megawatts (MW), providing power to Iligan City, General Santos City, Zamboanga City and other key areas of Mindanao.

The ACR chairman also discussed the ongoing construction of the Sarangani Energy Corporation (SEC)'s 210 MW coal-fired power plant located in Maasim, Sarangani Province. It is one of only two plants cited by Department of Energy (DoE) Secretary Jericho Petilla expected to go online in 2015 that will help provide a sustainable and long-term solution to Mindanao's power crisis. The plant will have an initial 105 MW output in 2015 for about 3.47 million people in Sarangani Province, General Santos City and key areas in South Cotabato, Compostela Valley, Agusan del Norte, Agusan del Sur and majority of Davao del Norte.

Part of ACR's expansion plan includes the Maasim plant reaching its full 210 MW capacity in 2016 that will serve an additional 3.8 million people residing in Cotabato, South Cotabato and Zamboanga del Norte. The US $570M SEC plant is the single biggest investment in Sarangani Province and Region 12.

Alcantara also underscored ACR's expansion with the development of the 105 MW San Ramon Power, Inc. (SRPI) coal-fired plant in Sitio San Ramon, Talisayan in Zamboanga City. The SRPI plant is set to provide baseload power to Zamboanga and other key municipalities in the region.

Alsons Consolidated Resources, Inc.

To complete its five-fold expansion, ACR is beefing up its stake in Mindanao by developing a 17 MW hydroelectric plant in Siguil River at Maasim, Sarangani.

"These five projects will complement and not replace the operations of existing power generating projects, namely the Western Mindanao Power Corporation (WMPC) and Southern Philippines Power Corporation (SPPC). These two facilities can still perform in a competitive market and will play a vital role in the company's operations," Alcantara stressed.

ACR-affiliated power facilities are expected to generate a total of 486 MW by 2016 more than 25% of Mindanao's projected peak demand for that year. By 2019, the combined capacities ACR's power plants will be at 590 MW- almost 30% of the projected peak power demand of the island.

In the same annual stockholders meeting, ACR revealed other prospective revenue contributors including additional hydro power projects in Sarangani, Negros Occidental, and Agusan del Sur as well as a possible solar power project in Alabel, Sarangani. Also mentioned as a key prospective revenue contributor outside of the power sector; was the Alcantara Group's joint venture with Ayala Land, Inc. (ALI) for a 24-hectare waterfront development project the Lanang district of Davao City. The joint venture project with ALI, first announced in early 2013, will be the first "marina township" project in Davao City.

Towards the end of his message to the stockholders, Mr. Alcantara expressed the company's unwavering passion to serve and continuously develop Mindanao.

"This company is dedicated to Mindanao not as an outsider who may only see profits from this largely untapped market. We see Mindanao for its rich past and immense promise for the future. We have always aspired to be the instrument of progress in the island and we are poised and ready to help Mindanao realize its potential," he declared.

####

SEC 64-20-D. S
MAY 27 2014
E
C
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 23, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BUILDING, 2286, CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231

8. Issuer's telephone number, including area code
   982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
    ITEM 9

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

Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-24 - Results of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

RESULTS OF ANNUAL STOCKHOLDERS' MEETING

Background/Description of the Disclosure

RESULTS OF ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 23, 2014

List of elected directors for the ensuing year with their corresponding shareholdings in the Issuer

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
TOMAS I. ALCANTARA	1		
EDITHA I. ALCANTARA	100,000		
ALEJANDRO I. ALCANTARA	1		
JACINTO C. GAVINO, JR.	1		
RAMON T. DIOKNO	1		
CARLOS G. DOMINGUEZ	100		
JOSE BEN R. LARAYA	100		
CONRADO C. ALCANTARA	1		
HONORIO A. POBLADOR III	100		
THOMAS G. AQUINO	100		
TIRSO G. SANTILLAN, JR.	1		

External auditor	SYCIP GORRES VELAYO & CO.

List of other material resolutions, transactions and corporate actions approved by the stockholders

MR. LARAYA, MR. AQUINO AND MR. GAVINO WERE NOMINATED AND ELECTED AS INDEPENDENT DIRECTORS. THE STOCKHOLDERS ALSO APPROVED THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON MAY 24, 2013 AND APPROVED THE MANAGEMENT REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2013, RATIFIED THE ACTS AND RESOLUTIONS OF THE BOARD, ITS COMMITTEES AND MANAGEMENT FOR THE YEAR 2013 AND REAPPOINTED THE EXTERNAL AUDITOR SYCIP, GORRES, VELAYO & CO. AND THE AMENDMENT OF THE THIRD ARTICLE OF THE ARTICLES OF INCORPORATION TO REFLECT THE COMPLETE ADDRESS OF THE PRINCIPAL OFFICE OF THE CORPORATION.

Other Relevant Information

PLEASE SEE ATTACHED.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 23, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Gentlemen:

This is to advise that the following matters were taken up and approved at the annual stockholders' meeting and the organizational meeting of Alsons Consolidated Resources, Inc. held separately today, May 23, 2014 at the Ballroom 1, Mandarin Oriental Manila, Makati Avenue, Makati City, Metro Manila, Philippines:

A. Annual Stockholders' Meeting

1. Approval of the Amendment of the Articles of Incorporation of the Company indicating the complete principal office address of the Company from *"Metro Manila"* to the *Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines* to comply with the SEC Memorandum Circular No. 6, Series of 2014;

2. Re-appointment of Sycip, Gorres, Velayo & Co. as External Auditor for year 2014;

3. Election of the following stockholders as Directors of the Company for the year 2014-2015;

1. Tomas I. Alcantara
2. Editha I. Alcantara
3. Alejandro I. Alcantara
4. Carlos G. Dominguez
5. Honorio A. Poblador III
6. Tirso G. Santillan, Jr.
7. Ramon T. Diokno
8. Conrado C. Alcantara
9. Jose Ben R. Laraya (Independent Director)
10. Thomas G. Aquino (Independent Director)
11. Jacinto C. Gavino, Jr. (Independent Director)

B. Organizational Meeting

1. Election of the following as Officers of the Company for 2014-2015:

Chairman and President	-	**Tomas I. Alcantara**
Exec. Vice President	-	**Tirso G. Santillan,Jr.**
Treasurer	-	**Editha I. Alcantara**
Chief Financial Officer	-	**Luis R. Ymson, Jr.**
Corporate Secretary	-	**Roberto V. San Jose**
Assistant Corp. Secretary	-	**Angel M. Esguerra, III**

2. Appointment of the following as members of the board committees:

Executive Committee:
Tomas I. Alcantara - Chairman
Editha I. Alcantara
Thomas G. Aquino
Jose Ben R. Laraya
Tirso G. Santillan, Jr.

Compensation Committee:
Tomas I. Alcantara - Chairman
Honorio A. Poblador III
Jose Ben R. Laraya
Tirso G. Santillan, Jr.

Nomination Committee:
Tomas I. Alcantara - Chairman
Jose Ben R. Laraya
Carlos G. Dominguez
Sylvia M. Duque – HR Manager

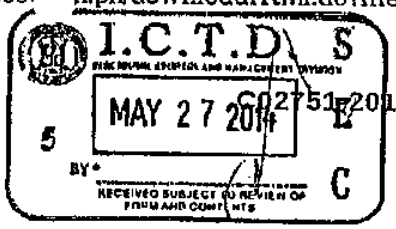
Audit Committee:
Jose Ben R. Laraya - Chairman
Editha I. Alcantara
Tirso G. Santillan, Jr.
Jacinto C. Gavino, Jr.
Ramon T. Diokno

The Board appointed Mr. Esperidion D. Develos, Jr. as as Chief Audit Executive reporting directly to the Audit Committee.

The Board also designated Mr. Angel M. Esguerra, III and the undersigned as the Company's Corporate Information Officers/Compliance Officers with respect to disclosure requirements of the Philippine Stock Exchange and Securities Exchange Commission.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer



Ex-Date : Jun 25, 2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   May 23, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Building, 2286 Chino Roces Avenue, Makati City, Philippines
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Declaration of Cash Dividend

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 6-1 - Declaration of Cash Dividends
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Notice of Cash Dividend Declaration

Background/Description of the Disclosure

Declaration of Cash Dividend

Type of Securities

Common	
Preferred	-
Others	-

Cash Dividend

Date of Approval by Board of Directors	May 23, 2014
Other Relevant Regulatory Agency, If applicable	-
Date of Approval by Relevant Regulatory Agency, If applicable	N/A
Type (Regular or Special)	regular
Amount of Cash Dividend Per Share	P0.016
Record Date	Jun 30, 2014
Payment Date	Jul 24, 2014

Source of Dividend Payment

Unrestricted Retained Earnings of the Corporation as of 31 December 2013

Other Relevant Information

please see attached

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

23 May 2014

Securities & Exchange Commission
Attn.: Director Justina F. Callangan
Corporate Governance & Finance Dept.
S.E.C. Building, EDSA
Greenhills, Mandaluyong City

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Re : **Declaration of Cash Dividend**

Gentlemen:

Please be advised that at the special meeting of the Board of Directors (the "Board) of Alsons Consolidated Resources, Inc. ("ACR") held today, the Board approved the declaration of a cash dividend in the amount of ₱0.016 per share or a total of ₱100,664,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2013, in favor of the common stockholders of record as of June 30, 2014 and payable on July 24, 2014.

Please be guided accordingly.

Very truly yours,

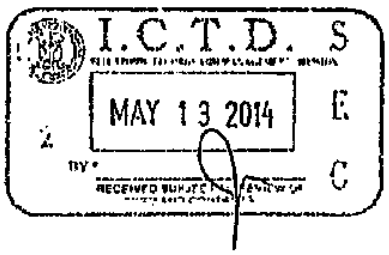
Luis R. Yinson, Jr.
Chief Financial Officer
and Compliance Officer

C02389-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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



1. Date of Report (Date of earliest event reported)
   May 12, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    1

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

Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
Press Release Q1-2014 Results
Background/Description of the Disclosure
ACR Q1 2014 Income Up 59% on 134% Revenue Growth
Other Relevant Information
Please see attached.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 12, 2014

Philippine Stock Exchange
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Gentlemen:

We are pleased to inform the Exchange that the Executive Committee of Alsons Consolidated Resources, Inc. approved on Friday, May 9, 2014 the Interim Unaudited First Quarter Financial Statements of the Company. The SEC Form 17-Q will be submitted to the Securities and Exchange Commission before May 15, 2014.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Consolidated Resources, Inc. Q1 2014 Income Up 59% on 134% Revenue Growth"

We trust that you find the foregoing in order.

Very truly yours,

LUIS R. YMSON, JR.
Chief Financial Officer &
Corporate Information Officer

Encl/
legal/PSE-SEC17-q2014

Alsons Consolidated Resources, Inc.

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources
lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources, Inc. Q1 2014 Income Up 59% on 134% Revenue Growth

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group, reported a 59% rise in net income attributable to the parent for the first quarter of 2014, to P149.1 Million from P93.9 Million in the same period for 2013. Consolidated net income for the period was up 3% to P228.9 Million from P222.9 Million in the first quarter of 2013.

ACR's revenues grew by 134% for the first quarter of 2013 to P1.18 Billion from P505 Million in the same period last year coming from the revenue contribution of the recently reacquired and rehabilitated 103 Mega Watt (MW) Iligan Diesel Power Plant of the Mapalad Power Corp. (MPC), which began operations in May of 2013.

The 59% surge in net income attributable to the parent was due mainly to the fact that MPC- ACR's newest revenue contributor- is a wholly-owned subsidiary of the holding company. The leap in net income attributable to the parent was also ascribed to ACR's increased share of income from its two other operating diesel power plant subsidiaries- the Western Mindanao Power Corporation's (WMPC) 100 MW plant in Zamboanga City and the 55 MW Southern Philippines Power Corporation (SPPC) diesel plant in Alabel, Sarangani Province. Alsons Consolidated 's increased share in the income from these two plants was a result of ACR's gaining 100% ownership of power holding company -Conal Holdings Corp. (CHC) in August 2013. ACR gained full ownership of CHC by acquiring Thailand's Electricity Generating Public Company Limited's (EGCO) 40% equity stake in Conal Holdings. ACR's earnings per share (EPS) was at P0.024 in the first quarter of 2014 as against P0.015 for the first quarter of 2013.

ACR's 3 power generation subsidiaries are now the main contributors to the company's revenue growth, following its divestment of Lima Land, Inc. in 2013. All three diesel power facilities are contributing to alleviate the power shortage in Mindanao.

Apart from the diesel power plants, ACR is also developing coal-fired facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani. The SEC plant is currently under construction and will begin operating in 2015 with an initial capacity of 105 MW. ACR owns 75% of SEC with 25% equity held by Toyota Tsusho Corporation (TTC) - the trading company of the Toyota Group.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###

C01491-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

I.C.T.D. S
MAR 3 1 2014
12
E
C

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

1. Date of Report (Date of earliest event reported)
   Mar 31, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock @P1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    Item 9(a)

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
ALSONS CONSOLIDATED RESOURCES, INC. REVENUES RISE 61% in 2013
Background/Description of the Disclosure
PLEASE SEE ATTACHED DOCUMENT.
Other Relevant Information
NONE

Filed on behalf by:	
Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

March 31, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

Please be advised that during its meeting on 28 March 2014, the Board of Directors of Alsons Consolidated Resources, Inc. (the "ACR") took up the following matters:

1. The Board approved the amendment of the ACR's Articles of Incorporation to specify the complete address of the principal place of the office at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila. Such amendment will be submitted for approval at the Annual Stockholders' Meeting to be held on 23 May 2014 with a record date of April 15, 2014.

2. The audited financial statements for year ended December 31, 2013 was approved.

3. The Board also approved an additional appropriation of ₱850 Million from retained earnings for equity contribution in the Company's expansion projects.

Attached is an announcement of our 2013 results.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer
PSE/SEC 17C2014-03

Alsons Consolidated Resources, Inc.

Alsons Consolidated Resources, Inc.
Results of Board od Directors meeting held March 28, 2014

Refer to: Luis R. Ymson, Jr., Chief Financial Officer, Alsons Consolidated Resources

lry@alcantaragroup.com (02) 982 3026

Alsons Consolidated Resources, Inc. Revenues Rise 61% In 2013

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources, Inc. (ACR) - the publicly-listed company of the Alcantara Group, reported a 61% increase in revenues to P3.4 Billion in 2013 from P2.1 Billion in 2012. The growth in 2013 revenues came mainly from operations of the 103 Mega Watt (MW) Mapalad Power Corporation (MPC) diesel plant in Iligan City. The 20-year old MPC plant was reacquired by ACR and began rehabilitation in March of 2013 with operations commencing in May of 2013. The plant reached its full 98 MW capacity in a record 6 months in September 2013. An additional engine came on line to increase capacity to 103 MW later in the year.

Despite an increase in recurring income and gains made on the sale of its Lima Land investment, ACR's net income attributable to the parent, declined slightly from P508.6 Million in 2012 to P466.9 Million in 2013. The increased revenues of the Company in 2013 were weighed down mainly by its equity share in the losses of Australian miner Indophil Resources NL, and from foreign exchange losses in its dollar loans. Earnings per share also declined by 8%- from P0.081 per share in 2012 to P0.074 in 2013.

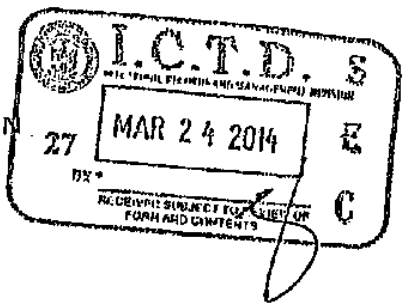
Apart from the MPC diesel plant, ACR' currently-operating power generation facilities are: the Southern Philippines Power Corporation's (SPPC) 55 MW plant in Alabel, Sarangani, the 100 MW Western Mindanao Power Corporation (WMPC) plant in Zamboanga City. All three diesel plants have significantly contributed to alleviating the power shortage in Mindanao.

ACR is also developing coal-fired power facilities to help provide a stable source of baseload power for Mindanao and ensure long-term power security for the island. These facilities are: the 105 MW San Ramon Power, Inc. (SRPI) plant in Zamboanga City and the 210 MW Sarangani Energy Corporation (SEC) plant in Maasim, Sarangani. The SEC plant is in the advanced stages of construction and will begin commercial operations in October of 2015 with an initial capacity of 105 MW. The SEC plant is expected to be operating at its full 210 MW capacity by 2016.

The disclosure to the PSE stated that the ACR Board approved the appropriation of an additional P850 Million from retained earnings for its expansion projects. The annual stockholder's meeting of the Company is set on May 23, 2014 to stockholders on record as of April 15, 2014.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over fifty years.

###



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. March 20, 2014
Date of Report (Date of earliest event reported)

2. SEC Identification Number 59366 3. BIR Tax Identification No. 001-748-412

4. ALSONS CONSOLIDATED RESOURCES, INC.
Exact name of issuer as specified in its charter

5. Philippines
Province, country or other jurisdiction of incorporation

6. [ ] (SEC Use Only)
Industry Classification Code:

7. Alsons Bldg., 2286 Chino Roces Extension, Makati City
Address of principal office

1231
Postal Code

8. (632) 982-3000
Issuer's telephone number, including area code

9. N/A
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock P1.00 par value	6,291,500,000 Shares

11. Indicate the item numbers reported herein: Item 9 (Other Events)

Philippine Stock Exchange Corporate Governance Guidelines for Listed Companies Disclosure Survey for the year 2013.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

LUIS R. YMSON, JR.
Chief Financial Officer and
Corporate Information Officer
Signature and Title

Date 20 March 2014

CR01511-2014

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form CGR-1 - Compliance Report on Corporate Governance
Reference: Corporate Governance Guidelines for Companies Listed on the Philippine Stock Exchange

For the year ended	Dec 31, 2013

Description of the Disclosure
CORPORATE GOVERNANCE GUIDELINES DISCLOSURE SURVEY FOR THE YEAR 2013

Filed on behalf by:	
Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

March 20, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

In compliance with PSE's Memorandum No. 2014-0002 dated January 10, 2014 on the Corporate Governance Guidelines for Companies Listed on the Philippine Stock Exchange, we are submitting herewith the Company's response to the Corporate Governance Guidelines Disclosure Survey.

Thank you.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

Encl/
acr/PSE-SEC-C2014-02

CR01386-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year
   Dec 31, 2013
2. Exact Name of Registrant as Specified in its Charter
   ALSONS CONSOLIDATED RESOURCES, INC.
3. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231
4. SEC Identification Number
   59366
5. Industry Classification Code(SEC Use Only)
6. BIR Tax Identification No.
   001-748-412
7. Issuer's telephone number, including area code
   (632) 982-3000
8. Former name or former address, if changed from the last report
   n/a

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form ACGR-1 - Annual Corporate Governance Report
Reference: Revised Code of Corporate Governance of the Securities and Exchange Commission

Description of the Disclosure

UPDATE ON ANNUAL CORPORATE GOVERNANCE REPORT IN COMPLIANCE WITH THE SECURITIES & EXCHANGE COMMISSION'S MEMORANDUM CIRCULAR NO. 1 SERIES OF 2014.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

5 March 2014

The Securities & Exchange Commission
SEC Building, EDSA
City of Mandaluyong

Attention : Atty. Justina F. Callangan
Director, Corporate Governance & Finance Department

Re : Alsons Consolidated Resources, Inc. (ACR)
Update on Annual Corporate Governance Report

Dear Director Callangan:

We refer to your letter dated 19 February 2014, which we received on March 3, 2014. In compliance with the said letter and with Securities and Exchange Commission (SEC) Memorandum Circular No. 1 series of 2014, please be informed that the Company has made the following changes on the Company's Annual Corporate Governance Report for 2013:

- Chapter A(1)(a) Composition of the Board

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)[1]	Elected when (Annual/ Special Meeting)	No. of years served as director
1. Tomas I. Alcantara	ED	N/A	Nomination Committee	Aug. 2001	24 May 2013	ASM	12
2. Editha I. Alcantara	ED	N/A	Nomination Committee	March 1995	24 May 2013	ASM	18
3. Tirso G. Santillan,Jr.	ED	N/A	Nomination Committee	June 1996	24 May 2013	ASM	17
4. Alejandro I. Alcantara	NED	N/A	Nomination Committee	July 2003	24 May 2013	ASM	10
5. Ramon T. Diokno	NED	N/A	Nomination Committee	March 2009	24 May 2013	ASM	4
6. Carlos G. Dominguez	NED	N/A	Nomination Committee	March 1995	24 May 2013	ASM	18
7. Conrado C. Alcantara	NED	N/A	Nomination Committee	Nov. 2010	24 May 2013	ASM	3
8. Honorio A. Poblador III	NED	N/A	Nomination Committee	March 1995	24 May 2013	ASM	18
9. Jose Ben R. Laraya	ID	N/A	Ms. Solita Gomez (not related to ID)	March 1995	24 May 2013	ASM	18
10. Jacinto C. Gavino, Jr.	ID	N/A	Ma. Socorro Ramirez (not related to ID)	May 2005	24 May 2013	ASM	8
11. Thomas G. Aquino	ID	N/A	Ms. Consuelo Manching (not related to ID)	May 2011	24 May 2013	ASM	2

[1] *Reckoned from the election as of the Annual Stockholders' Meeting (ASM) held on 24 May 2013*

- Chapter A(d)(i) Directorship in the Company's Group

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	Southern Philippines Power Corporation	ED - Chairman
	Western Mindanao Power Corporation	ED - Chairman
	Alto Power Holdings, Inc.	ED - Chairman
	Alsing Power Holdings, Inc.	ED - Chairman
	Conal Holdings Corporations	ED - Chairman
	Sarangani Energy Corporation	ED - Chairman
	San Ramon Power, Inc.	ED - Chairman
	Alsons Energy Development Corporation	ED - Chairman
	Kamanga Agro-Industrial Ecozone Development Corp.	ED - Chairman
	Aces Technical Services Corporation	ED - Chairman
	Alsons Land Corporation	ED - Chairman
	ACR Mining Corporation	ED - Chairman
	Market Developers, Inc. (MADE)	ED - Chairman
	Eagle Ridge Golf & Country Club, Inc.	ED - Chairman
Editha I. Alcantara	Southern Philippines Power Corporation	ED
	Western Mindanao Power Corporation	ED
	Alto Power Holdings, Inc.	ED
	Alsing Power Holdings, Inc.	ED
	Conal Holdings Corporations	ED
	Sarangani Energy Corporation	ED
	San Ramon Power, Inc.	ED
	Alsons Energy Development Corporation	ED
	Kamanga Agro-Industrial Ecozone Development Corp.	ED
	Aces Technical Services Corporation	ED
	Alsons Land Corporation	ED
	ACR Mining Corporation	ED
	Market Developers, Inc. (MADE)	ED
	Eagle Ridge Golf & Country Club, Inc.	ED
Tirso G. Santillan, Jr.	Sarangani Energy Corporation	ED
	San Ramon Power, Inc.	ED
	Mapalad Power Corporation	ED - Chairman
	Alsons Energy Development Corporation	ED
	Kamanga Agro-Industrial Ecozone Development Corp.	ED
	Siguil Hydro Power Corporation	ED - Chairman
	Kalaong Hydro Power Corporation	ED - Chairman
	Aces Technical Services Corporation	ED
	A/S Power Development Inc.	ED
	ACR Mining Corporation	ED
	Market Developers, Inc. (MADE)	ED
Alejandro I. Alcantara	Alsons Land Corporation	NED
	Market Developers, Inc. (MADE)	NED
Conrado C. Alcantara	Alsons Land Corporation	NED
	Market Developers, Inc. (MADE)	NED

2 The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

- Chapter A(d)(ii) Directorship in Other Listed Companies

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tomas I. Alcantara	Holcim Philippines, Inc. Philweb Corporation Philippine Bank of Communications	NED ID ID
Carlos G. Dominguez	Phil. Tobacco Flue-Curing and Redrying Corp. United Paragon Mining Corporation	ED NED
Thomas G. Aquino	NOW Corporation A Brown Company	ED - Chairman NED

- Chapter A(2)(a) Chairman and CEO

The CEO of the Company who also assumes the role of the Chairman of the Board holds only one vote. Generally, the Board is the governing body of the Company, and all corporate acts are approved by the Board of Directors. The Board has constituted a Nomination, Compensation, Executive and Audit Committees headed and composed by an Independent Directors to ensure that there are adequate checks and balances in the Corporate Governance structure of the Company and an appropriate balance of power, increased accountability and better capacity for independent decision making by the Board.

- Chapter A(6)(c) Continuing Education Programs for Directors

The Company does not have a continuing education program for Directors in 2013.

- Chapter C(2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings held during the year	No. of Meetings Attended	%
Chairman	1. Tomas I. Alcantara	24 May 2013	4	4	100%
Member	2. Editha I. Alcantara	24 May 2013	4	4	100%
Member	3. Tirso G. Santillan,Jr.	24 May 2013	4	4	100%
Member	4. Alejandro I. Alcantara	24 May 2013	4	4	100%
Member	5. Ramon T. Diokno	24 May 2013	4	2	50%
Member	6. Carlos G. Dominguez	24 May 2013	4	4	100%
Member	7. Conrado C. Alcantara	24 May 2013	4	4	100%
Member	8. Honorio A. Poblador III	24 May 2013	4	4	100%
Independent	9. Jose Ben R. Laraya	24 May 2013	4	4	100%
Independent	10. Jacinto C. Gavino, Jr.	24 May 2013	4	3	75%
Independent	11. Thomas G. Aquino	24 May 2013			

- Chapter D(5) Remuneration of Management

Name of Officer/Position	Total Remuneration
Luis R. Ymson, Jr. / CFO	PhP 90,000.00
Esperidion D. Develos, Jr. / CAE	PhP 90,000.00
Angel M. Esguerra, III /Asst.Corsec	not included in the Company's per diem

- Chapter E(2)(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2011)
Chairman	Tomas I. Alcantara	24 May 2013	8	8	100%	3 years
Member (ED)	Editha I. Alcantara	24 May 2013	8	7	87%	3 years
Member (ED)	Tirso G. Santillan, Jr.	24 May 2013	8	8	100%	3 years
Member (ID)	Jose Ben R. Laraya	24 May 2013	8	8	100%	3 years
Member (ID)	Thomas G. Aquino	24 May 2013	8	6	75%	3 years

- Chapter E(2)(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2011)
Chairman (ID)	Jose Ben R. Laraya	24 May 2013	6	6	100%	3 years
Member (ED)	Editha I. Alcantara	24 May 2013	6	6	100%	3 years
Member (ED)	Tirso G. Santillan, Jr.	24 May 2013	6	6	100%	3 years
Member (ID)	Jacinto C. Gavino, Jr.	24 May 2013	6	3	50%	3 years
Member (NED)	Ramon T. Diokno	24 May 2013	6	6	100%	3 years

- Chapter E(2)(d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (from 2011)
Chairman	Tomas I. Alcantara	24 May 2013	0	N/A	N/A	3 years
Member (ED)	Tirso G. Santillan, Jr.	24 May 2013	0	N/A	N/A	3 years
Member (NED)	Honorio A. Poblador III	24 May 2013	0	N/A	N/A	3 years
Member (ID)	Jose Ben R. Laraya	24 May 2013	0	N/A	N/A	3 years

- Chapter J(1)(c) Dividends

Declaration Date	Record Date	Payment Date
March 21, 2013	May 24, 2013	June 14, 2013

- Chapter J(1)(d)(3) Company observation of 21 business days for giving out notices to the AGM
  a. Date of sending out notices : April 26, 2013
  b. Date of the Annual/Special Stockholders' Meeting: 24 May 2013

- Chapter J(1) (d)(5) Results of Annual/Special Stockholders' Meeting's Resolution

Resolution	Approving	Dissenting	Abstaining
Reading and Approval of the Minutes of Annual Stockholders' Meeting held on May 18, 2012.	All	None	None
Presentation of the Management Report and Approval of the Audited Financial Statement of 2012	All	None	None
Ratification of the Acts of the Board of Directors/Officers	All	None	None
Election of Directors for year 2013-2014	All	None	None
Appointment of the External Auditors – Sycip Gorres Velayo & Co. for the year 2012	All	None	None

- Chapter J(1)(d)(6) Publication of AGM results

The results of the votes taken during the most recent AGM for all resolutions was submitted to SEC thru Form 17C on same day of AGM on May 24, 2013 and published by PSE the following day May 25, 2013.

- Chapter J(1)(f)(i) Details of AGM Attendance

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	Directors: Tomas I. Alcantara Editha I. Alcantara Alejandro I. Alcantara Tirso G. Santillan, Jr. Ramon T. Diokno Jose Ben R. Laraya Carlos G. Dominguez Honorio A. Poblador, III Jacinto C. Gavino, Jr. Conrado C. Alcantara Thomas G. Aquino Officers: Luis R. Ymson, Jr. Roberto V. San Jose Esperidion D. Develos, Jr. Angel M. Esguerra, III	24 May 2013	By ballots one share one vote	0.13%	80.14%	80.27%
Special	No Special Stockholders' Meeting held during the year.					

- Chapter J(1)(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and other Materials	All Stockholders on record
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by market participants/certain beneficial owners	April 26, 2013
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by Stockholders	April 26, 2013
State whether CD format or hard copies were distributed	Distributed in CD format. Soft copies are available at the Company (ACR) and PSE's website.
If yes, indicate whether requesting stockholders were provided hard copies	CDs are sent via postal mail. Hard copies are available during Annual General Meeting.

We hope you find the foregoing sufficient compliance with SEC Memorandum Circular No. 1, Series 2014. Should you have further questions or need any clarification, please do not hesitate to contact us.

Thank you.

Respectfully yours,

ALSONS CONSOLIDATED RESOURCES, INC.

ANGEL M. ESGUERRA, III
Assistant Corporate Secretary

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the city of Makati, Metro Manila on MAR 0 5 2014.

SIGNATURES

TOMAS I. ALCANTARA
Chairman of the Board &
Chief Executive Officer

JOSE BEN R. LARAYA
Independent Director

LUIS R. YMSON, JR.
Chief Financial Officer and
Compliance Officer

THOMAS G. AQUINO
Independent Director

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tuazo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

March 5, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.
Update on Annual Corporate Governance Report

Dear Madam:

We submit herewith the update on our Company's Annual Corporate Governance Report for the year 2013 in compliance with the Securities and Exchange Commission's Memorandum Circular No. 1, Series of 2014.

We trust that you will find the foregoing in order.

Thank you.

Very truly yours,

LUIS R. YMSON, JR.
Compliance Officer and
Chief Financial Officer

Encl/
acr SEC/17-c2014-02

C00494-2014

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Feb 7, 2014
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Alsons Bldg., 2286 Chino Roces Avenue, Makati City
   Postal Code
   1231

8. Issuer's telephone number, including area code
   (632) 982-3000
9. Former name or former address, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock Php1.00 par value	6,291,500,000

11. Indicate the item numbers reported herein
    9

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

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and Sections 6 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Results of the Board of Directors' Meeting

Background/Description of the Disclosure

The Board of Directors of the Company fixed the date of the annual stockholders' meeting of the Company on May 23, 2014 and the record date on April 15, 2014

Type of Meeting

Annual

Special

Date of Approval by Board of Directors	Feb 7, 2014
Date of Stockholders' Meeting	May 23, 2014
Time	TBA
Venue	TBA
Record Date	Apr 15, 2014
Agenda	TBA

Inclusive Dates of Closing of Stock Transfer Books	
Start Date	TBA
End Date	TBA

Other Relevant Information

Filed on behalf by:	
Name	Laura Tumala
Designation	Legal Assistant

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

February 7, 2014

Philippine Stock Exchange, Inc.
Listing and Disclosure Department
PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City, Philippines

Attention : MS. JANET A. ENCARNACION
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.

Dear Madam:

Please be advised that in a board meeting held today, the Board of Directors of the Company fixed the date of the annual stockholders' meeting of the Company on May 23, 2014 and the record date on April 15, 2014.

Please be guided accordingly.

Very truly yours,

LUIS R. YMSON, JR.
Corporate Information Officer and
Chief Financial Officer
acr/2014302-01

CR00920-2014

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

Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	LETTER
Report Period/Report Date	Dec 31, 2013

Description of the Disclosure

ATTENDANCE OF BOARD OF DIRECTORS FOR YEAR 2013

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.

2nd Floor Alsons Building
2286 Pasong Tamo Extension, Makati City
1231 Metro Manila, Philippines
Tel. Nos.: (632) 817-5506 to 10, 812-0294
Fax Nos.: (632) 894-0655; 812-1005

January 28, 2014

Securities and Exchange Commission
SEC Building, EDSA
Mandaluyong City

Attention: Atty. Justina F. Callangan
Director
Corporate Governance & Finance Department

Re: Attendance of Directors at 2013 Board Meetings

Gentlemen:

In compliance with SEC Memorandum Circular No. 1, series of 2014, we hereby advise the Commission of the following:

1. The Board of Directors of Alsons Consolidated Resources, Inc. (the "Corporation") held its meetings in the year 2013 on the following dates:

Date of Meeting	*Nature of Meetings*
March 21, 2013	Regular Board Meeting
May 24, 2013	Organizational Board Meeting
August 23, 2013	Regular Board Meeting
November 7, 2013	Regular Board Meeting

2. Records of the Corporation do not show that any director has absented himself/herself without any justifiable reason for more than fifty percent (50%) of all meetings of the Board of Directors, both regular and special, during his/her incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,

Roberto V. San Jose
Corporate Secretary

Annex "A"

Meetings of the Board of Directors for the Year 2013

Name of Director	Dates of Organizational, Regular and Special Board Meetings for 2013 Legend: Present (√) Absent (X)			
	March 21	May 24	August 23	November 7
Tomas I. Alcantara	√	√	√	√
Edilha I. Alcantara	√	√	√	√
Alejandro I. Alcantara	√	√	√	√
Tirso G. Santillan, Jr.	√	√	√	√
Ramon T. Diokno	√	√	√	√
Carlos G. Dominguez	√	x	x	√
Honorio A. Poblador, III	√	√	√	√
Conrado C. Alcantara	√	√	√	√
Jose Ben R. Laraya	√	√	√	√
Jacinto C. Gavino, Jr.	√	√	√	√
Thomas G. Aquino	√	√	√	x

Legend:

√	-	Present
X	-	Absent
RM	-	Regular Meeting
SM	-	Special Meeting
OM	-	Organizational Meeting
N	-	Not yet a director / Not re-elected / No longer a director

EXPENSES OF ISSUANCE AND DISTRIBUTION

USE OF PROCEEDS

The Company's net proceeds from the Offer is expected to be approximately **Php 466,933,399.52** after deducting the applicable fees and expenses.

Expenses related to the Offer, all of which will be for the account of the Company, are broken down as follows:

Table 3: Net Proceeds

Face Value of the Offer	**₱ 500,000,000.00**
Discount (indicative based on 4.5% and 360 days assuming true discount computation)	**(21,531,100.48)**
Gross Proceeds	**478,468,899.52**
Less:	
SEC Filing and Legal Research Fees	(505,000.00)
Documentary Stamp Tax (maximum assuming P500 million issued for one year)	(2,500,000.00)
Underwriting and Selling Fees (maximum)	(2,500,000.00)
Issue Management Fee	(2,500,000.00)
Estimated Legal Fees	(2,700,000.00)
Philratings credit rating report fees	(448,000.00)
PDTC Registry fees*	(170,000.00)
PDEx listing maintenance fees*	(37,500.00)
Facility agency fees	(125,000.00)
Estimated Costs of Printing and Publication	(50,000.00)
Total expenses	**(11,535,500.00)**
Net Proceeds	**466,933,399.52**

* PDTC and PDEx fees are estimates

In the event that the actual expenses relating to the Offer differ from the above estimates, the actual net proceeds to the Company from the Offer may be higher or lower than the expected net proceeds set forth above. Any increase or decrease in the net proceeds to the Company shall be addressed by making a corresponding increase or decrease, as the case may be, to the Company's provision for working capital requirements.

The Company intends to use the proceeds from the Offer for working capital and general corporate purposes.

No portion of the proceeds will be used to acquire major assets or finance the acquisition of other business nor will the proceeds be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advanced or otherwise. The Sole Issue Manager, Arranger and Underwriter shall not receive any amount from the proceeds other than the underwriting, issue management and selling fees.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's disbursement plan, including force majeure, the

Company will carefully evaluate the situation and may reallocate the proceeds and/or hold such funds on short term deposit whichever is better for the Company's and its shareholders' interest taken as whole. In such event, the Company will issue an announcement if there is any material change in the above proposed use of proceeds.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PDex.

PUBLICATION OF NOTICE

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
METRO MANILA

IN THE MATTER OF	:	
	:	
	:	
ALSONS CONSOLIDATED RESOURCES, INC.	:	REGISTRATION OF SECURITIES
(Registrant)	:	
	:	

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

NOTICE

Notice is hereby given that on [*], a sworn statement was filed with the Securities and Exchange Commission ("SEC") for and on behalf of ALSONS CONSOLIDATED RESOURCES, INC. (the "Registrant") for the registration of Commercial Paper with an aggregate principal amount of up to Two Billion Five Hundred Million Pesos (Php2,500,000,000.00) which shall be offered for sale to the public by way of public offering in one or more tranches with an initial tranche of up to Five Hundred Million Pesos (Php500,000,000.00), pursuant to Section 8 & 12 of the Securities Regulation Code.

According to the documents presented to the SEC on [*], the following persons are the officers/directors of the Registrant:

NAME	POSITION
Tomas I. Alcantara	President and Chairman
Editha I. Alcantara	Director and Treasurer
Alejandro I. Alcantara	Director
Honorio A. Poblador III	Director
Tirso G. Santillan, Jr.	Director and Executive Vice President
Ramon T. Diokno	Director
Conrado C. Alcantara	Director
Jose Ben R. Laraya	Independent Director
Thomas G. Aquino	Independent Director
Jacinto C. Gavino, Jr.	Independent Director
Luis R. Ymson, Jr.	Chief Financial Officer
Roberto V. San Jose	Corporate Secretary
Angel M. Esguerra	Assistant Corporate Secretary, Corporate Information Officer and Corporate Compliance Officer

The Registration Statement, its attachment and any amendments therein (collectively referred to as "RS"), are open to inspection by interested parties during business hours. Copies thereof, photostatic or otherwise, shall be furnished to every party upon request at such reasonable fees as the Commission may prescribe. Said RS and its updated version may be downloaded from the Company's website.

VICENTE GRACIANO P. FELIZMENIO, JR.
Director

SEC CERTIFIED COPIES OF ARTICLES OF INCORPORATION AND BY-LAWS

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 59366

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

ALSONS CONSOLIDATED RESOURCES, INC.

[Amending Article III thereof.]

copy annexed, adopted on March 28, 2014 by majority vote of the Board of Directors and on May 23, 2014 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 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 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 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 set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 11th day August, Twenty Fourteen.

Date: 21-9-2016 Time: 10:3:14 AM

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

www.sec.gov.ph User Name: 9secexpre

CERTIFIED TRUE COPY 1
Page 1 of 20 pages SEP 23 2016
Verified by: D. ASAD Date

Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

42

PAYMENT ASSESSMENT FORM No. 07242014-389911

DATE	RESPONSIBILITY CENTER (DEPARTMENT)
07/24/2014	CRMD

PAYOR: ALSONS CONSOLIDATED RESOURCES INC.
MAKATI CITY

	NATURE OF COLLECTION	ACCOUNT CODE	AMOUNT
	LRF (A0823)	131	10.00
	AMENDED ARTICLES	606	500.00
	TOTAL AMOUNT TO BE PAID		Php 510.00

Assessed by: 7/24/14
MMVELASQUEZ

ORN 1153840 Aug 1, 2014 08:29AM SEC No: null
GBrbtan PHP 510.00

Machine Validation:
20140804-69

Date: 21-9-2016 Time: 10:3:21 AM

www.sec.gov.ph User Name: 9secexpress

CERTIFIED TRUE COPY 1
Page 1 of 2 pages SEP 23 2016
Verified by: D. ABAD Date Issued

COVER SHEET

for Applications at
COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application: AO - AMEND 2ND

SEC Registration Number: V7366

Former Company Name

AMENDED TO:

New Company Name: ALSONS CONSOLIDATED RESOURCES INC.

Principal Office (No./Street/Barangay/City/Town/Province): ALSONS BLDG. 2286 C. ROCES AVE. MAKATI CITY

Company's Telephone Number/s

Contact Person: ANGEL ESGUERRA

Contact Person's Telephone Number: 982-3000

Contact Person's Address: SAME

To be accomplished by CRMD Personnel

Assigned Processor	Date	Signature
VILLASAUZ	092414 83-	

Document I.D. 20140804A1669 21-9-2016 Time: 10:3:25 AM

Received by Corporate Filing and Records Division (CFRD)

Forwarded to:

- [x] Corporate and Partnership Registration Division
- [ ] Financial Analysis and Audit Division
- [ ] Licensing Unit
- [ ] Compliance Monitoring Division

8-4-14 Y

User Name: ysecexpress

CERTIFIED TRUE COPY

Page 3 of 90 pages

Verified by: B. ABAD Date Issued: SEP 23 2016

AMENDED ARTICLES OF INCORPORATION

ALSONS CONSOLIDATED RESOURCES, INC.

(Formerly TERRA GRANDE RESOURCES, INC.)

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, the undersigned, all of whom are of legal age and Filipino citizens and all of whom are residents of the Philippines, have this day, voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines:

AND WE HEREBY CERTIFY

FIRST — That the name of the Corporation shall be:

ALSONS CONSOLIDATED RESOURCES, INC. (As amended April 27,1995)

SECOND — That the purposes for which said corporation is formed are:

PRIMARY PURPOSE

To acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell. Assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise to operate, manage, enjoy and dispose of, any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including, but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements, and bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures, or othere securities having voting power, owned or held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the investment Company Act (Republic Act No. 2629). (As amended on September 29, 1994)

06-Sep-2016 10:32:28 AM
www.sec.gov.ph User Name: secexpress
CERTIFIED TRUE COPY
SEP 23 2016

SECONDARY PURPOSE

To prospect, explore, discover, dig, and drill for exploit, extract, produce, purchase, locate, lease, secure concessions in its name and for its benefit, or in the name of and for the benefit of others, or otherwise, acquire, store, hold, transport, use, experiment with, market, distribute, exchange, sell, and otherwise dispose of, import, export and handle, trade and generally deal in, refine, treat, enrich, reduce, distill, manufacture and smelt ores and all kinds of petroleum and petroleum products, oil, gas and other mineral volatile substances.

To prospect, explore, discover, state and locate record, exploit, dig and drill extract, produce, purchase, or lease mining claims in the Philippines either in its name or for the benefits of others, and to purchase, lease and otherwise acquire, sell, or dispose of leasehold rights and interest in, and the right to develop such mining claims and mining properties of whatever nature, and to engage in any other business of mining in general and to acquire, store, hold, transport, use, experiment with market distribute, exchange, sell and otherwise dispose of, import, export, handle, manufacture and smelt any metallic and non-metallic minerals and all kinds of coal, gold, silver, copper, nickel, lead, zinc, iron, titanium, vanadium, quicksilver, tin, asbestos, ores, precious stones and mineral substances of all grades, kinds, forms, descriptions and combinations and in general subsoil products and subsurface deposits of every nature and descriptions and the products and by-products which maybe derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances;

To acquire by purchase, lease, contract, concession or otherwise any and all real estate, lands, land patents, options, grants, concessions, franchises, water and other rights, privileges, easements, estates, interests and properties of every kind and description whatsoever which the Corporation may deem necessary or appropraite or of any other business in which the corporation may lawfully engage, and to own, hold, rent, operate, improve, develop, reorganize, manage, grant, lease, subdivide, sell, exchange, or to otherwise dispose of the whole or any part thereof; and generally to engage in the real estate business;

Date: 21-9-2016 Time: 10:3:33 AM

To engage in agriculture, deep sea fishing, fish ponds, fishing and canning industries, saltmaking, hotel, moviehouses, reacreation centers, fertilizer manufacturing, real estate, and manufacturing such as copper products and its by-products and logging business;

www.sec.gov.ph User Name: 9secexpress

To invest its funds in commercial, industrial, real estate development, and construction enterprises and projects as well as in any financial and investment institutions, provided that

SEP 23 2016

the funds to be devoted for this purpose shall not be derived from the public through receipt of deposits, sales of bonds, or obligations of any kind, to invest in shares of stock of other companies, bonds or debentures, and to purchase, deal in, lease, rent, hold, improve, pledge, mortgage, or otherwise dispose of lands, tenements, buildings, or any interest therein, and the fixtures and personal properties incidental thereto; and to purchase, acquire, or take over all or part of the securities, rights, properties, business or assets of all kinds or liabilities of any person, corporation, partnership, association or governmental agency or entity, and to manage, operate or administer the whole or any part of the business or property so acquired without engaging in the management of funds, securities, portfolio and similar asset of such managed entities.

AND IN FURTHERANCE OF THE ABOVE PURPOSES, the Corporation shall have the following incidental powers:

(1) To acquire by lease such lands as are necessary to its business and to purchase, acquire, hold, lease, sell and convey buildings, warehouses, machinery, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business;

(2) To borrow or raise money necessary to meet the financial requirements of its business by the issuance of promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation, or to issue pursuant to law shares of its capital stock, and other evidence of indebtedness in payment for properties acquired by the corporation for money borrowed in the prosecution of its lawful business;

(3) To invest and deal with the moneys and properties of the corporation in such manner as may be from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept; and

(4) To enter into contracts with other corporations for them to acquire gas and oil lands, leaseholds and other interests, to construct and maintain conduits and lines, tubing and piping for general purposes as well as for the use of the said corporation; to transport such oil and gas by means of such pipes, pipe lines and storage tanks to be used for the purpose of transporting and storing oil and gas and to do a general pipe line and storage business;

Date 21-7-2016 Time 10:37 AM
www.sec.transportinh and Name generalexpress

(5) To enter into contracts with other corporations for them to construct and maintain gas wells, oil wells and refineries, and to buy, sell, and deal in gas, oil and [illegible];

construct and maintain all railways, tramways; to acquire, construct, and maintain, buildings, dwellings, stores, warehouses, machineries, plants, boats, roads, and bridges, sawmills and other effects whatsoever which the corporation may think proper to be acquired, constructed and/or operated for the pursuance of any of its purposes; to construct, maintain and operate telegraph and telephone lines, radio communications as maybe permitted by law, convenient for the prosecution of business and for the exclusive use of the corporation; to obtain and prepare for market such other valuable minerals and materials as may be discovered in developing the lands of the corporations;

(6) To have one or more branch offices outside the Philippines and to conduct its business and exercise its powers in any part thereof or in any country; to purchase, hold, convey, sell, lease, rent, mortgage, encumber or otherwise deal in such real and personal properties in any part of the Philippines or elsewhere as the purpose for which this corporation in formed may permit, and as maybe reasonably and necessarily required for the transaction of the lawful business of the corporation;

(7) Without in particular limiting any of the objects or purposes or powers of the corporation, the business for purpose of the corporation shall be from time to time to do anyone or more or all of the acts and things therein set, and all such other acts, things and businesses in any manner connected therewith, or necessary, incidental, convenient or auxiliary thereto, or calculated directly or indirectly to promote the interests of the corporation or enhance the value of or render profitable any of its properties or rights as such corporation may lawfully do; and in carrying on its business, or for the purposes of attaining or furthering any of its objects to do any and all acts and to exercise and which now and hereafter may be authorized by law, trustees, contractors, factors, lessors lessees or otherwise either alone or in connection with others and in any part of the world and in addition to have and to exercise all the rights, powers and privileges now or hereafter belonging to or conferred upon corporations organized under the provisions of the law authorizing the formation of such corporation;

(8) As a partial repetition of the above purposes and powers and where not covered by said purposes and powers in addition thereto, the corporation shall also have the following purposes and powers, it being expressly provided that the enumeration and specification or specific purposes and powers shall not be construed to limit or restrict in any manner the said purposes and powers of the corporation hereinabove mentioned:

Date: 21 May 2015 Time: 12:03:38 AM
www.secexpress

The searching and prospecting for ores and mineral and the location, leasing and registering and patenting of mineral claims of all sorts; the purchasing, leasing or exchanging or otherwise acquiring or taking on option of mineral properties,

Received by: D. ABAD Date: 23 2015

claims. Rights, concessions, licenses and grants; the securing from the government of the Philippines, or from any other authority or individual, municipal or otherwise, of easements, timber or water rights, or privileges, licenses and concessions, and the performance and the fulfillment of the conditions thereof; the carrying on of the business of metallurgists, contractors, assayers, manufacturers, importers, exporters, merchants and general brokers, the carrying on and engaging in the business of milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying and selling, exchanging and otherwise producing and dealing in ores, minerals and metals;

The purchasing and otherwise acquiring, the holding, operating, selling, and otherwise dealing in so far as the law permits of the units, stocks securities, properties and assets, business goodwill rights, operating of petroleum, gas and oil well, both for the corporation and for others to the extent permitted by law.

(9) To enter into contract with other corporations for them to manufacture, buy and sell and otherwise deal in gas and oil, machinery and appliances; also lumber, stone, brick, steel, iron and other materials in connection with the building, erection, maintenance and repair of the properties herein enumerated both for this corporation and for others.

(10) To purchase, exchange, appropriate or otherwise acquire, take hold and own and sell, mortgage, lease or otherwise dispose of water rights and water supplies, together with the necessary pipe lines, reservoirs, dams, ditches and appurtenances useful or necessary, for its own business, and to manage, operate, maintain, improve, extend or develop such water supplies.

(11) To improved, manage, develop, sell, assign, transfer, lease, mortgage, pledge, or otherwise dispose of or turn to account or deal with all of any part of the property of the corporation and from time to time and subject to existing laws, to vary and investment or employment of capital of the corporation;

(12) To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, own, use, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the Philippines or of any other country, or government, inventions, improvements and processes, whether used in connection with or secured under letters patent or otherwise.

(13) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects of the furtherance of any of

Date 21 SEP 2016 Time 10:31 AM
www.swhenexpress.com
Page 8 of 20 Pages SEP 23
Certified by: D. ATIAN Date Issued

the powers hereinbefore setforth, either alone or in association with other corporations, firms, or individuals and to do any other act or acts, things or things incidental or appurtenance to or growing out of any part of connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which this corporation is organized.

(14) Insofar as maybe permitted by law, to acquire by purchase or otherwise, and to hold for investments or otherwise and to use, sell, assign, transfer, mortgage, pledge, or otherwise, deal with or dispose of stocks, bonds or any other obligations or securities of any corporation or corporations; to merge or consolidated with any corporation in such manner as maybe permitted by law; to aid in any manner any corporation, or in which this corporation is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stocks, bonds, or other obligations to exercise all the rights, powers and privileges or ownership thereof, and to exercise any and all voting powers thereon.

(15) To purchase, become interested in, receive, own, hold invest and reinvest in, sell, negotiate, exchange, transfer, assign, mortgage, franchises, contracts and the assuming of liabilities and obligations of any person or persons, firm, association or corporation or organization;

The borrowing of money with or without security; the issuing of warrants, bonds, debentures, and other negotiable and transferable instruments, secured or unsecured for such amounts or in exchange of or such properties as maybe found advisable.

(16) To enter into contracts with other corporations for them to carry on the business of exploring for mining, producing, acquiring, developing, manufacturing, storing, extracting, separating, refining, purifying, drilling, combining, mixing, marketing, distributing, buying and selling, and otherwise dealing in and turning to account, oil of all kinds of grades, petroleum, gas, gasoline, carbon and hydro-carbon products of all kinds, minerals ores and the elements, constituents, products and by-products thereof.

(17) To enter into contracts with other corporations from them to purchase, take, hold, own, lease, exchange or otherwise acquire and develop, sell, mortgage, let and deal in oil bearing, wells, and rights, and any and all interest whatsoever therein or thereto.

(18) To buy, exchange, contract for lease, and in any and all otherways acquire, take, hold and own, lands; sell, mortgage, lease or otherwise dispose of lands, mining claims, mineral rights, and other real property, and rights and interest in and to real property, and to manage, operate, maintain, improve, and develop the said properties, and each and all of them.

Date: 21-SEP-2018 Time: 10:39:15 AM
www.sechexpress.com
CERTIFIED TRUE COPY
Page 9 of 20 pages SEP 23 2018
Verified by: D. ABAD

(19) To enter into contract with other corporations for them to refine and manufacture petroleum oil into the several products and to transport, market, sell and dispose of the same. And to that end, to build, construct, buy, lease or otherwise acquire refineries with all necessary stills, storage tanks, pipe lines and all necessary transportation facilities, appliances, fitting and fixtures, and to build, own, operate and maintain and to buy, lease or otherwise acquire and to hold and own lands and lease holds for the erection thereon of the said refineries.

(20) To enter into contract with other corporations for them to carry, pipe, transport, store and market oil, gasoline, naptha, hydro-carbons and natural gas by pipe lines, steam and sailing vessels, boats, barges, or any other means or method of transporting or transportation not known or hereafter discovered. And to that end to lay, build, construct, buy, lease or otherwise acquire pipe lines or any and other size and character, with all pumping or compressor stations, storage tanks, machinery, appliances, reservoirs, chutes, together with all kinds of terminal and transfer facilities for railways and water transportation necessary or convenient to the handling of the corporation's oil, gasoline, naptha, hydro-carbons, petroleum and their products and by-products to erect laboratories, workshops, mills warehouses, dwelling for workmen and other offices and eating houses, and to handle, buy and sell, exchange, deal in or otherwise acquire all necessary machinery, equipment, lightning and hearing facilities, or any other factor necessary or convenient for the operation of the same.

(21) To enter into contract with other corporations for them to do and engage in the construction, improvement, extension, maintenance and repair of oil or gas plants, including pipe lines, tanks and other appliances; also lumber, stone brick steel, iron and other materials appertaining thereto; also, in the opening, developing and pledge, turn to account, realize upon, and otherwise acquire and dispose of securities of every kind, character and description, issued or created by, or secured upon the property, income or revenues of individuals; associations, public and private corporations, the Philippines, its agencies and instrumentalities, or any territory, state, country, city, town, district, or other political subdivision; and to acquire or become interested in any such securities by subscription, purchase, exchange, or otherwise. The term "securities" whenever used herein, shall consistent with the context and without limiting the generality of the foregoing, include shares of stock (preferred, common and debentures), script, purchase or subscription warrants, options or other rights, voting trust certificates, certificates of interest or participation in any profit sharing agreements or pre-organization certificates, fractional or undivided interest in other mineral rights, investment contracts, evidences of interests, ownership or indebtedness, call or time loans, notes

Date: 2-6-2015 Time: 10:34:47 AM
www.sec.gov.ph Secretary Certificate expressd

Certified True Copy
Page 10 of 20 Pages SEP 23 2015
Verified by: B. ABAD Date Received

acceptances, bill of exchange, commercial paper, choses in action, debentures, mortgages, collateral trust certificates, and in general, any interest or instrument known as securities, or any certificate for, or receipt for, any of the foregoing, and any security, negotiable, secured or unsecured, and however described.

To buy, sell mortgage, encumber, hold, own, exchange, rent or otherwise acquire and dispose of, and to develop, improve, manage, subdivided, and generally, to deal and trade in real properties, improved and unimproved, wheresoever situated; and to build, erect, construct, alter and maintain buildings, structure and other improvements on real property.

To borrow and raise money for any of the purposes of the corporation, and from time to time with limit as to amount, to draw, make accept, endorse, execute and issue bonds, debentures, notes, drafts, acceptances, bill of exchanges, warrants and other negotiable or non-negotiable instruments and evidences of indebtedness and other interest therein by mortgage upon or pledge of, conveyance or assignment in trust of the whole or any part of the property and franchises for the corporation, real, personal or mixed, tangible, and wheresoever situated, whether at the time owned or thereafter acquired; and to issue, sell, negotiate, pledge, or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To acquire all or any part of the good will, rights, property and business of any individual, association or corporation; to pay for the same in cash or in shares of stock, bonds, notes or other obligations of the corporation, or otherwise, to hold, utilize, operate, reorganize, liquidate, and in any manner dispose of the whole or any part of the goodwill, rights, property and business so acquired, to assume in connection therewith the whole or any part of the liabilities and obligations of any such persons, association or corporation; and to conduct in any lawful manner the whole or any part of the business thus acquired.

The foregoing clauses shall each be construed as purposes, objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific purposes, objects and powers shall not be held to limit or restrict in any manner the powers of the corporation, and that they are in furtherance of, and in addition to, and not in limitation of the general powers conferred upon the corporation by laws of the Philippines or otherwise; nor shall the enumeration of one thing be deemed to exclude another, although it be of like nature, not expressed.

Date: 21-9-2016 Time: 10:3:54 AM

THIRD. - That the place where the principal office of the corporation is to be established or located shall be at the ALSONS' Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines; (As Amended, May 23, 2014)

www.sec.gov.ph User Name: stcexpressd

CERTIFIED TRUE COPY
Page 11 of 20 SEP 23 20
Verified by: D. ABAD Paralegal

FOURTH. - That the term for which said corporation is to exist is fifty (50) years from and after date of incorporation.

FIFTH. - That the names and residences of the incorporators of said corporation are as follows:

Name	Nationality	Address
Erlinda V. Gonzalez	Filipino	27 Sunrise Hill, Quezon City
Jose H. Rodriguez	Filipino	43 Sunrise Hill, Quezon City
Marylin T. Ilagan	Filipino	41 Sunrise Hill, Quezon City
Arturo Ilagan, Jr.	Filipino	2972 R. Magsaysay Blvd. Sta. Mesa, Manila
Benigno Ignacio	Filipino	1639 Saturno, Paco, Manila
Antonio M. Umali	Filipino	1616 8th St., Paco, Manila
Nemesio P. Sarmiento	Filipino	Gen. Atienza St., Paco, Manila
Romeo G. Rodriguez	Filipino	9th Flr. Prudential Bank Bldg. Ayala Avenue, Makati, M.M.
Reynaldo G. Rodriguez	Filipino	6221 Manalac St., Makati, M.M.
Rose Marie G. Rodriguez	Filipino	10th Flr. Manila Bank Building Ayala Avenue, Makati, M.M.
Eugenio G. Rodriguez	Filipino	43 Sunrise Hill, Quezon City

SIXTH. - That the number of directors of said corporation shall be eleven (11)* and that the names and residences of the directors of the corporation who are to serve until their successors are elected and qualified as provided by the by-laws are as follows, to wit:

Name	Nationality	Residences
Jose H. Rodriguez	Filipino	43 Sunrise Hill, Quezon City
Arturo Ilagan, Jr.	Filipino	2972 R. Magsaysay Blvd. Sta. Mesa, Manila
Benigno Ignacio	Filipino	1639 Saturno, Paco, Manila
Romeo G. Rodriguez	Filipino	9th Flr. Prudential Bank Bldg. Ayala Avenue, Makati, M.M.
Antonio M. Umali	Filipino	1616 8th St., Paco, Manila
Nemesio P. Sarmiento	Filipino	Gen. Atienza St., Paco, Manila
Erlinda V. Gonzalez	Filipino	27 Sunrise Hill, Quezon City
Reynaldo G. Rodriguez	Filipino	6221 Manalac St., Makati, M.M.
Marylin T. Ilagan	Filipino	41 Sunrise Hill, Quezon City

Date: 21-9-2016 Time: 10:3:58 AM
www.sec.gov.ph User Name: secexpress

*As amended during the special meeting of the Board of Directors and the Annual Stockholders' meeting both held on June 11, 1996.

CERTIFIED TRUE COPY
Page 1 of 10
Verified by: R. ABAD

SEVENTH: That the authorized capital stock of the corporation is TWELVE BILLION PESOS (Php12,000,000,000.00),** Philippine currency, and said authorized capital stock is divided into: (**Amended on June 21, 1996)

(a) ELEVEN BILLION NINE HUNDRED FORTY FIVE MILLION (11,945,000,000) common shares (the "Common Shares"), with a par value of ONE PESO (Php1.00) per share, or an aggregate par value of ELEVEN BILLION NINE HUNDRED FORTY FIVE MILLION PESOS (Php11,945,000,000.00); and

(b) FIVE BILLION FIVE HUNDRED MILLION (5,500,000,000) preferred shares (the "Preferred Shares") with a par value of 1/100 PESO (Php0.01) per share, or an aggregate par value of FIFTY FIVE MILLION PESOS (Php55,000,000.00);
(As Amended, April 27, 2011)

All Common Shares and Preferred Shares shall have full voting rights.

The Preferred Shares shall have the following features, which shall be printed on the relevant stock certificates issued by the Corporation:

1. Issuance/Transfer of Preferred Shares

Preferred Shares may only be issued or transferred to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens. (As amended, April 27, 2011)

2. Dividends

Holders of the Preferred Shares shall be entitled to receive out of the unrestricted retained earnings of the Corporation, cumulative dividends at the rate of eight percent (8%) per annum of the par value of the Preferred Shares, before any dividends shall be paid to holders of the Common Shares. Holders of the Preferred Shares shall not be entitled to participate with holders of the Common Shares in any further dividends payable by the Corporation. (As amended, April 27, 2011)

3. Redemption

The Corporation may, by resolution of its Board of Directors, redeem the Preferred Shares at par value.

The Corporation will redeem the Preferred Shares at par value (i) when the foreign equity limits to which the Corporation is subject to shall have been removed; and (ii) the Corporation is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require the Corporation to maintain the ownership of the Preferred Shares by such Filipino citizens.

Date: 2/19/2016 Time: 10:49 AM
www.sec.gov.ph User: nenetbuenexpressd

CERTIFIED TRUE COPY
Page 12 of 20 pages
Verified by: D. ABAD Date Issued: FEB 23

The preferred shares when redeemed will not be retired, and may be reissued upon resolution by the Board of Directors. (As amended, April 27, 2011)

4. Preference in Liquidation

In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, of the Corporation, except in connection with a merger or consolidation, holders of the Preferred Shares shall be entitled to be paid in full, or pro rata insofar as the assets and properties of the Corporation will permit, the par value of each Preferred Shares before any distribution shall be made to holders of the Common Shares, and shall not be entitled to any other distribution. Thereafter, the holders of Common Shares shall be entitled to be paid in full, or pro rata insofar as any remaining assets and properties of the Corporation will permit, the par value of each Common Shares. (As amended, April 27, 2011)

After the distributions pursuant to the above paragraph shall have been made, the remaining assets and properties of the Corporation shall be distributed pro rata to the holders of Common Shares. (Amended on April 27, 2011)

That no stockholder shall because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Corporation, whether our of the unissued authorized capital stock or any future increase thereof. Any part or such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Corporation pursuant to resolution of its Board of Directors, to such persons and upon such terms as such Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.

EIGHT. - That the amount of said capital stock which has been actually subscribed is FIVE MILLION (P5,000,000.00) PESOS, Philippine Currency, consisting of FIVE HUNDRED MILLION shares and the following persons for the number of shares and amount of capital stock set out after their respective names:

Names	Residences	No. of Shares	Amount of Capital Stock Subscribed
Erlinda V. Gonzalez	27 Sunrise Hill, Q. C.	50,000,000	P 500,000.00
Jose H. Rodriguez	43 Sunrise Hill, Q. C.	50,000,000	500,000.00
Marylin R. Ilagan	41 Sunrise Hill, Q. C.	25,000,000	250,000.00
Arturo Ilagan, Sr.	41 Sunrise Hill, Q. C.	25,000,000	250,000.00

Date: 21 SEP 2016 Time: 12:42:17 PM
www.sec.gov.ph User Name: 9secexpressd
CERTIFIED TRUE COPY
Page 4 of 30 pages
SEP 23 2016

Benigno Ignacio	1639 Saturno Paco, Manila	50,000,000	500,000.00
Antonio Umali	1616 8th St., Paco Mla.	50,000,000	500,000.00
Nemesio P. Sarmiento	Gen. Atienza Pasig, M. Mla.	50,000,000	500,000.00
Romeo G. Rodriguez	27 Sunrise Hill, Q. C.	50,000,000	500,000.00
Reynaldo G. Rodriguez	6221 Manalac Makati, M. Mla.	50,000,000	500,000.00
Rose Marie G. Rodriguez	43 Sunrise Hill, Q. C.	50,000,000	500,000.00
Eugenio G. Rodriguez	43 Sunrise Hill, Q. C.	50,000,000	500,000.00
	TOTAL	500,000,000	P5,000,000.00

That no transfer of stock of interest which will reduce the ownership of Filipino Citizens to less than the required percentage of the capital shall be allowed or permitted to be recorded in the proper books of the Corporation and this restriction shall be indicated in all stock certificates;

NINTH. - That the following persons have paid on the shares of capital stock for which they have subscribed the amounts set forth after their respective names:

Names	Residences	Subscription
Erlinda V. Gonzalez	27 Sunrise Hill, Q. C.	P 125,000.00
Jose H. Rodriguez	43 Sunrise Hill, Q. C.	125,000.00
Marylin R. Ilagan	41 Sunrise Hill, Q. C.	62,500.00
Arturo Ilagan, Sr.	41 Sunrise Hill, Q. C.	62,500.00
Benigno Ignacio	1639 Saturno Paco, Manila	125,000.00
Antonio Umali	1616 8th St., Paco Mla.	125,000.00
Nemesio P. Sarmiento	Gen. Atienza Pasig, M. Mla.	125,000.00
Romeo G. Rodriguez	27 Sunrise Hill, Q. C.	125,000.00
Reynaldo G. Rodriguez	6221 Manalac Makati, M. Mla.	125,000.00
Rose Marie G. Rodriguez	43 Sunrise Hill, Q. C.	125,000.00
Eugenio G. Rodriguez	43 Sunrise Hill, Q. C.	125,000.00
	TOTAL - - - - - -	P1,250,000.00

Date: 11-9-2016 Time: 10:4:16 AM
www.sec.gov.ph User Name: ysecexpressd

CERTIFIED TRUE COPY
Page 8 of 20 pages
SEP 23 2016

TENTH. - That ANTONIO M. UMALI has been elected by the subscribers as treasurer of the corporation to act as such until his successors is duly elected and qualified in accordance with the by-laws, and that as such treasurer, he has been authorized to receive for the corporation and to receipt in its name for all subscriptions paid in by said subscribers;

ELEVENTH. - All officers of said corporation shall receive such compensations as the Board of Directors may provide.

IN WITNESS WHEREOF, we have hereunto set our hands this 10th day of December 1974 in the City of Manila, Philippines.

JOSE H. RODRIGUEZ (sgd.) BENIGNO IGNACIO (sgd.)

ANTONIO M. UMALI (sgd.) ARTURO ILAGAN, JR. (sgd.)

ROMEO G. RODRIGUEZ (sgd.) ERLINDA V. GONZALEZ (sgd.)

NEMESIO P. SARMIENTO (sgd.) MARYLIN R. ILAGAN (sgd.)

REYNALDO G. RODRIGUEZ (sgd.)

SIGNED IN THE PRESENCE OF:

JOSE H. RODRIGUEZ (sgd.) (illegible sgd.)

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S. S.

BEFORE ME, the undersigned Notary Public in and for the City of Manila, Philippines, on this 10th day of December, 1974, personally appeared:

Date: 20 NOV 2016 Time: 10 JAN 24 AM

Name		Issued at		
Jose H. Rodriguez	A-2382331	Bacolor, Pampanga	1-18-74	1494-833-5
Benignoo Ignacio	A-5229277	Makati, Rizal	1-10-74	3098-569-1
Antonio M. Umali	A-3619	Manila	1-07-74	1588-033-9
Nemesio P. Sarmiento	A-7937256	Pasig, Rizal	3-01-74	1529-593-4

www.sec.gov.ph User Name: 9secexpressd

CERTIFIED TRUE COPY
Page 12 of 20 pages
SEP 23 2016

Romeo G. Rodriguez	A-6428876	Makati, Rizal	1-31-74	4574-495-0
Arturo Ilagan, Jr.	A-502739	Manila	1-18-74	2433-359-3
Erlinda Gonzalez	A-7851388	Bacolor, Pampanga	5-10-74	1494-833-5
Reynaldo G. Rodriguez	A-1065338	Makati, Rizal	1-03-74	4484-660-8
Marylin R. Ilagan	A-502740	Manila	1-18-74	2433-359-3
Rose Marie G. Rodriguez	A-5220832	Makati	1-10-74	1752-416-P
Eugenio G. Rodriguez	A-7851056	Bacolor, Pampanga	4-18-74	8236-415-9

all of whom are known to me and to me known to be the same persons whose names are subscribed to and who executed the foregoing Articles of Incorporation, and acknowledged to me that they executed the same as an act of their free will and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seat at Manila, Philippines on the 10th day of December, 1974.

SALVADOR ALIGAEM (sgd.)
NOTARY PUBLIC
UNTIL DEC. 31, 1975
PTR. No. 077925-Manila
1-17-74

DOC. NO. 5886;
PAGE NO. 93;
BOOK NO. 67;
SERIES OF 1974.
rsj4/alsons-amend

Date: 21-9-2016 Time: 10:4:42 AM

www.sec.gov.ph User Name: 9secexpress

CERTIFIED TRUE COPY
Page 14 of 20 pages
SEP 23 2016

DIRECTORS' CERTIFICATION
RELATIVE TO THE AMENDMENT OF THE
ARTICLES OF INCORPORATION
OF

ALSONS CONSOLIDATED RESOURCES, INC.

8-1-14

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, being the Chairman of the Board of Directors, the Corporate Secretary, and a majority of the members of the Board of Directors of ALSONS CONSOLIDATED RESOURCES, INC. (the "Corporation") hereby certify that at the Annual Meeting of the Stockholders held on the 23rd day of May 2014, at Mandarin Oriental Manila, Makati Avenue, Makati City and at the Regular Meeting of the Board of Directors of the Corporation held on the 28th day of March 2014, at the principal office of the corporation, by resolution unanimously adopted and confirmed by the stockholders of the Corporation representing at least two-thirds (2/3) of the outstanding capital stock and the majority of the Board of Directors, the Articles of Incorporation were duly amended as follows:

STOCKHOLDERS' RESOLUTION

"RESOLVED, that the Stockholders approved the amendment of the THIRD Article of the Articles of Incorporation of the Corporation, as recommended by the Board of Directors and Management to change the principal office of the corporation from *Metro Manila, Philippines* to *Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines;*

"RESOLVED FURTHER, that said amendment shall read as follows:

THIRD - That the place where the principal office of the corporation is to be established or located shall be at the Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines (As amended, 24 May 2014)

Date: 21-9-2016 Time: 10:4:56 AM

That the attached is a true and correct copy of the Articles of Incorporation as amended.

www.sec.gov.ph User Name: ysecexpressc

CERTIFIED TRUE COPY
Page 18 of 20 Date SEP 23
Verified by ASCO

IN WITNESS WHEREOF, we, the undersigned Directors of the said corporation have hereunto set our hand this JUN 13 2014 at Makati City, Metro Manila, Philippines.

SECURITIES AND EXCHANGE COMMISSION
REPUBLIC OF THE PHILIPPINES
1936

EDITHA I. ALCANTARA 1
TIN: 101-523-701

ALEJANDRO I. ALCANTARA 6
TIN: 105-252-501

TIRSO G. SANTILLAN, JR. 2
TIN: 134-840-919

CONRADO C. ALCANTARA 7
TIN: 210-901-865

RAMON T. DIOKNO 3
TIN: 117-434-705

HONORIO A. POBLADOR, III 8
TIN: 112-105-590

CARLOS G. DOMINGUEZ 4
TIN: 105-272-055

JOSE BEN R. LARAYA 9
TIN: 137-981-006

THOMAS G. AQUINO 5
TIN: 111-621-372

JACINTO C. GAVINO, JR. 10
TIN: 123-104-984

Attest:

TOMAS I. ALCANTARA
Chairman of the Board
TIN: 105-252-550

ROBERTO V. SAN JOSE
Corporate Secretary
TIN: 126-470-483

Doc. Stamp 21-9-2014 10:5:5 AM

www.sec.gov.ph User Name: 9secexpressd

CERTIFIED TRUE COPY
Page 19 of 20 SEP 23
Verified by: Date Issued:

REPUBLIC OF THE PHILIPPINES)
Makati City, Metro Manila) S. S.

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the City of Makati, Philippines, this JUN 19 2014, affiants who is personally known to me and whose identity I have confirmed through presentation of their respective passport number, bearing their photograph and signature, to wit:

Name	Passport No.	Issued On/At
Tomas I. Alcantara	EB 8610644	07-09-2013/DFA, Manila
Editha I. Alcantara	EB 1982304	02-25-2011/DFA, Manila
Alejandro I. Alcantara	EB 4252342	12-12-2011/DFA, Manila
Conrado C. Alcantara	EB 0012869	03-18-2010/DFA, Manila
Tirso G. Santillan, Jr.	XX 3178388	03-07-2009/DFA, Manila
Ramon T. Diokno	XX 4424020	08-24-2009/DFA, Manila
Honorio A. Poblador, III		
Carlos G. Dominguez	XX 1599947	07-29-2008/DFA, Manila
Jose Ben R. Laraya	XX 0230924	04-22-2008/DFA, Manila
Thomas G. Aquino	XX 0607519	02-26-2008/DFA, Manila
Jacinto C. Gavino, Jr.		
Roberto V. San Jose	EB 6079962	08-03-2012/DFA, Manila

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at Makati City, Metro Manila, Philippines.

IRENEO U. GACAD, JR.
Notary Public
Notary Public
Until December 31, 2015
Commission No. M-14
SC Roll No. 22596
IBP OR No. 942109 / 10-17-13
PTR OR No. 4225502 / 1-2-14
Unit 304 Guadalupe Commercial Complex
Guadalupe Nuevo, Makati City

Doc. No. 410;
Page No. 85;
Book No. 49;
Series of 2014.
legal\ACR\directors' cert\ACI

Date: 21-9-2016 Time: 10:5:12 AM

www.sec.gov.ph User Name: 9secexpressd

CERTIFIED TRUE COPY
Page 10 of 10 pages
Verified by: D. ADAS Date Issued: SEP 23

REPUBLIC OF THE PHILIPPINES

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 59366

CERTIFICATE OF FILING OF AMENDED BY-LAWS

KNOW ALL MEN BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

ALSONS CONSOLIDATED RESOURCES, INC.

copy annexed, adopted on June 22, 2004 by a majority vote of the Board of Directors and on July 1, 2004 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 majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, as amended, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 16th day of July, Two Thousand Four.

BENITO A. CATARAN
Director
Company Registration and Monitoring Department

COVER SHEET

5	9	3	6	6

S.E.C. Registration Number

ALSONS CONSOLIDATED RESOURCES, INC.

(Company's Full Name)

2286 PASONG TAMO EXTENSION MAKATI CITY METRO MANILA

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

IRENEO U. GACAD, JR.	(02) 817-5506/10
Contact Person	Company Telephone Number

1 2	3 1	A B L	ANY DAY IN MAY
Month	Day	FORM TYPE	Month Day
Fiscal Year			Annual Meeting

RS

Secondary License Type, If Applicable

C R M D	ARTICLE I
Dept. Requiring this Doc.	Amended Articles Number/Section

757		
Total No. of Stockholders	Total Amount of Borrowings Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

CENTRAL RECEIVING
2004 JUL 14 AM 11 45

DIRECTORS' CERTIFICATE
OF THE AMENDED
BY-LAWS
OF

ALSONS CONSOLIDATED RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, being the Chairman of the Board of Directors, the Corporate Secretary, and a majority of the members of the Board of Directors of ALSONS CONSOLIDATED RESOURCES, INC. (the "Corporation") hereby certify that at the Annual Meeting of the Stockholders and the Regular Meeting of the Board of Directors of the Corporation held on the 1st day of July 2004 and June 22, 2004 respectively, at Linden Suites, San Miguel Avenue, Ortigas Center, Pasig City, by resolution unanimously adopted and confirmed by the stockholders of the Corporation representing at least two-thirds (2/3) of the outstanding capital stock and the majority of the Board of Directors, the By-Laws were duly amended as follows:

STOCKHOLDERS' RESOLUTION

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Stockholders approve the recommendation made by the Board of the Directors and Management to amend Article 1 of the By-Laws and insert as Section 2 thereof for the purpose of creating a Nomination and Election of Independent Directors and renumber the succeeding sections of Article 1 to reflect that the former Section 2 will now be renumbered Section 3 and so on up to Section 11 which was formerly Section 10.

"RESOLVED FURTHER, to amend for this purpose, Section 2. of Article I, of the By-Laws of the Corporation and the other succeeding sections of the said Article shall now read, as follows:

ARTICLE I

THE DIRECTORS

x x x

SECTION 2. NOMINATION AND ELECTION OF INDEPENDENT DIRECTORS.

2.1 The Corporation shall have such number of independent directors as may be required by law.

2.2 Stockholders shall submit their nominations for independent directors to the Corporation's Nominations Committee not later than thirty (30) days before the date of the stockholders' meeting. The nomination form shall contain the name of the nominee for independent director and all information that may be required by the Securities and Exchange Commission under its rules and regulations. The nomination form should be signed by the nominating stockholder and have the signed conformity of the nominee.

2.3 The Nomination Committee shall only review those nominations with complete requirements. After screening the qualifications of all nominees, the Nominations Committee shall prepare the final list of candidates for independent director and the information required under the existing rules of the Commission.

2.4 The final list of candidates for independent director and related information required under the current rules of the Commission shall be made available to the Commission and all stockholders through the filing and distribution of the Corporation's information or proxy statement. The name of the nominating stockholder and his relation to the nominee shall be mentioned in the report.

2.5 Only nominees whose names appear on the final list of candidates shall be eligible for election as independent director. No other nominations shall be entertained after the final list has been prepared. No further nominations shall be entertained or allowed on the floor during the actual meeting.

2.6 Except as required under the current regulations of the Commission and existing laws, the conduct of election of independent directors shall be in accordance with the standard election procedures of the Corporation or its by-laws.

2.7 The Chairman of the Meeting, shall inform all stockholders in attendance of the mandatory requirement of electing independent directors.

2.8 Specific slots for the independent directors shall not be filled up by unqualified nominees.

2.9 In case of resignation, disqualification or cessation of an independent director, the Commission shall be notified of such fact within five (5) days of the resignation, disqualification, or cessation. The vacancy shall thereafter be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee. Otherwise, the vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

Section 3. QUORUM - xxx

Section 4. PLACE OF MEETING - xxx

Section 5. MEETING OF DIRECTORS - xxx

Section 6. VACANCIES - xxx

Section 7. POWERS AND DUTIES; OTHER OFFICERS - xxx

Section 8. EXECUTIVE COMMITTEE - xxx

Section 9. OTHER COMMITTEES - xxx

Section 10. COMPENSATION OF DIRECTORS - xxx

Section 11. PROFIT SHARING - xxx

That the attached is a true and correct copy of the By-Laws as amended.

IN WITNESS WHEREOF, we, the undersigned, Directors of the said corporation have hereunto set our hand this JUL 01 2004 at Makati City, Metro Manila, Philippines.

EDITHA I. ALCANTARA

ALEJANDRO I. ALCANTARA

BIENVENIDO A. TAN, III

TIRSO G. SANTILLAN, JR.

PAULINO G. GARCIA, JR.

LEANDRO D. JAVIER

RAMON T. DIOKNO

HONORIO A. POBLADOR, III

CARLOS G. DOMINGUEZ

JOSE BEN R. LARAYA

Attest:

TOMAS I. ALCANTARA
Chairman of the Board

ROBERTO V. SAN JOSE
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
Makati City, Metro Manila) S. S.

JUL 01 2004

SUBSCRIBED AND SWORN to before me this _____ with the presentation of their respective Community Tax Certificates, to wit:

Name	Community Tax Cert. No.	Issued On/At
Tomas I. Alcantara	10036872	2-04-04/Makati City
Editha I. Alcantara	15180718	1-14-04/Makati City
Alejandro I. Alcantara	13018625	1-16-04/Alabel, Sarangani Prov.
Bienvenido A. Tan, III	14215870	2-13-04/Mandaluyong City
Tirso G. Santillan, Jr.	15289599	4-01-04/Makati City
Paulino G. Garcia, Jr.	15257535	2-27-04/Makati City
Leandro D. Javier	09548194	1-28-04/Muntinlupa City
Ramon T. Diokno	15289282	4-01-04/Makati City
Honorio A. Poblador, III	14174915	1-08-04/Mandaluyong City
Carlos G. Dominguez		
Jose Ben R. Laraya	21408416	3-30-04/San Juan, Metro Manila
Roberto V. San Jose	15233858	2-11-04/Makati City

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at Makati City, Metro Manila, Philippines.

IRENEO U. GACAD, JR.
Notary Public
Until December 31, 2005
PTR No. 7019167; 1-09-04
Makati City, Metro Manila

Doc. No. 408 ;
Page No. 82 ;
Book No. XXXVI ;
Series of 2004.

mylaw/202-ibd4

AMENDED
BY-LAWS
OF

ALSONS CONSOLIDATED RESOURCES, INC.

ARTICLE I
THE DIRECTORS

SECTION 1. BOARD OF DIRECTORS – The corporate powers of the company shall be exercised, its business conducted and its property controlled by its board of directors, who shall be chosen by the stockholders of the company entitled to vote at the annual meeting and shall hold office for one year and until their successors are elected and shall have qualified.

SECTION 2. NOMINATION AND ELECTION OF INDEPENDENT DIRECTORS.[1]

2.1 The Corporation shall have such number of independent directors as may be required by law.[1]

2.2 Stockholders shall submit their nominations for independent directors to the Corporation's Nominations Committee not later than thirty (30) days before the date of the stockholders' meeting. The nomination form shall contain the name of the nominee for independent director and all information that may be required by the Securities and Exchange Commission under its rules and regulations. The nomination form should be signed by the nominating stockholder and have the signed conformity of the nominee.[1]

---

[1] (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

2.3 The Nomination Committee shall only review those nominations with complete requirements. After screening the qualifications of all nominees, the Nominations Committee shall prepare the final list of candidates for independent director and the information required under the existing rules of the Commission.[1]

2.4 The final list of candidates for independent director and related information required under the current rules of the Commission shall be made available to the Commission and all stockholders through the filing and distribution of the Corporation's information or proxy statement. The name of the nominating stockholder and his relation to the nominee shall be mentioned in the report.[1]

2.5 Only nominees whose names appear on the final list of candidates shall be eligible for election as independent director. No other nominations shall be entertained after the final list has been prepared. No further nominations shall be entertained or allowed on the floor during the actual meeting.[1]

2.6 Except as required under the current regulations of the Commission and existing laws, the conduct of election of independent directors shall be in accordance with the standard election procedures of the Corporation or its by-laws.[1]

2.7 The Chairman of the Meeting, shall inform all stockholders in attendance of the mandatory requirement of electing independent directors.[1]

2.8 Specific slots for the independent directors shall not be filled up by unqualified nominees.[1]

---

1 (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

2.9 In case of resignation, disqualification or cessation of an independent director, the Commission shall be notified of such fact within five (5) days of the resignation, disqualification, or cessation. The vacancy shall thereafter be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee. Otherwise, the vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.[1]

Section 3.[1] QUORUM – The directors shall act only as a Board and the individual directors shall have no power as such. A majority of the directors of the Company, at a meeting duly assembled, shall be necessary to constitute a quorum for the transaction of business, and the act of a majority of a quorum so present shall be valid as a corporate act.

Section 4.[1] PLACE OF MEETING – The board of directors shall have power to hold its meetings, and to have one or more branch offices, within or outside of the Philippines, at such place or places as may from time to time be designated by it.

Section 5.[1] MEETING OF DIRECTORS – The Board of Directors shall hold a meeting, as soon as my be practicable after the annual meeting of stockholders and elect officers for the coming year.

---

[1] (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

The Board of Directors shall hold regular meetings at such time and place as the board of directors may prescribe. Special meetings of the board of directors may be called by the president or by written request of any two directors. Notices of all regular or special meetings of the board of directors shall be mailed to each director at his last known post-office address, or delivered to him personally, or left at his office, or transmitted by telegraph or telephone, if mailed, at least five (5) days prior to the date fixed for the meeting or if by telephone or fax or personal delivery, at least one (1) day before the day of the meeting. No notice need be given of regular meetings of the Board of Directors held at a time and place previously fixed by the board of directors.

Section 6.[1] VACANCIES – If any vacancy shall occur among the directors by reason of death, resignation, or for any other reason, such vacancy may be filled by the remaining directors constituting a quorum at any meeting or adjourned meeting held during such vacancy, if not filled by the stockholders at any of their meetings. In case of vacancy in the board, the remaining directors shall continue to act, but if at any time their number be reduced to less than the quorum, the remaining directors shall forthwith call a special meeting of the stockholders entitled to vote for the purpose of filing such vacancies.

Section 7.[1] POWERS AND DUTIES; OTHER OFFICERS – The Board shall, in each year, elect the officers specified in Section 1 of Article II hereof, and may elect or appoint such other officers, agents and employees as it may deem necessary for the proper conduct of the corporation's business in any part of the Philippines or in any foreign country, and may fill any vacancy which may occur in any office. The Board shall determine the compensation to be paid to all such other officers, agents and employees.

---

[1] (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

Section 8.[1] EXECUTIVE COMMITTEE – The Executive Committee shall be composed of at least three directors and such other members as may be appointed by the Board of Directors and shall exercise all the powers of the board except:

(1) The approval of any action for which stockholders' approval is required;

(2) The filling of vacancies in the board;

(3) The amendment or repeal of the By-Laws or the adoption of new by laws;

(4) The amendment or repeal of any resolution of the Board of Directors which by its terms is not so amendable or repealable; and

(5) Distribution of cash dividends to the shareholders.

The act of the majority of the members of the Executive Committee shall be the act of the Executive Committee. Minutes of all the proceedings of the Executive Committee shall be kept, and shall be submitted to the Board of Directors for its information.

Section 9.[1] OTHER COMMITTEES – The Board of Directors, by a vote of the majority of the whole board may appoint from the directors such committees as they may deem judicious, and to such extent as is provided by resolution delegate to such committees all or any of the powers of the Board of Directors which may be lawfully delegated, and such committees shall have and thereupon may exercise all or any of the powers so delegated to them.

---

[1] (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

The Board of Directors may also appoint such person or persons as they may see fit to act as an advisory committee at any particular office of the corporation.

Section 10.[1] COMPENSATION OF DIRECTORS – Each director shall receive, for his services as such director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him provided, that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity and receiving such compensation therefor as may be fixed from time to time by the Board of Directors.

Section 11.[1] PROFIT SHARING – The Board of Directors shall be authorized and empowered to pay or distribute to the members of the Board of Directors and the Executive Committee, and the officers of the Corporation, amounts of up to FIVE PERCENT (5%) of the net income before tax in each year, to be allocated at its discretion. If the income arises from the consolidation, or equity accounting of earnings of subsidiaries or affiliates, the computation of net income subject to profit sharing, shall be based on the cash or property dividends declared and actually received by the Company during the year. (As amended during the special meeting of the Board of Directors and the Annual Stockholders' meeting both held on June 11, 1996)

ARTICLE II
OFFICERS OF THE COMPANY

SECTION 1. OFFICERS – The officers of the company shall be a Chairman of the Board, a Vice-Chairman of the Board, a President, all of whom shall be members of the board of directors, one or more Vice-Presidents, a Treasurer and a Secretary, and such other officers as may be decided upon by the Board.

---

[1] (As amended during the Regular Meeting of the Board of Directors and the Annual Stockholder' Meeting held on June 22, 2004 and July 1, 2004 respectively)

SECTION 2. ELECTION. – Officers shall be elected by each board at the first meeting after its election, every officer shall be subject to removal for cause at any time by the board of directors, but all officers unless removed, shall hold office until their successors are appointed. If any vacancy shall occur among the officers of the Company, such vacancies shall be filled by the board of directors.

SECTION 3. POWERS, DUTIES and COMPENSATION. – The executive officers of the Company shall have such powers and duties as are specified in these by-laws, and such other powers and duties as may from time to time be assigned to them by the board of directors.

The monthly compensation of the executive officers of the Company shall be fixed by the board of directors. The amounts of compensation thus fixed in accordance with this section for the different executive officers may be increased or decreased by the board of directors.

The board of directors shall from time to time prescribed the powers and duties and fix the compensation of the other officers; agents and employees of the Company in the management of its property and affairs where such powers and duties are not prescribed by the by-laws.

SECTION 4. - CHAIRMAN OF THE BOARD. – The Chairman of the Board shall preside over all meetings, whether regular or special of the Board of Directors and shall likewise preside over all meetings of stockholders. He shall have such other powers and duties as may be assigned to him by the Board of Directors.

SECTION 5. VICE-CHAIRMAN OF THE BOARD – The Vice-Chairman of the Board shall perform all the duties of the Chairman of the Board in his absence.

SECTION 6. PRESIDENT – The President shall be the Chief Executive Officer of the Company. The President shall have general management and supervision of the business affairs and property of the Company. He shall have the power to enter into contracts and arrangements for and in behalf of the Company and to employ, appoint and remove officers and employees of the Company. He shall see to it that all orders and resolutions of the board of directors are carried into effect. The President shall submit to the stockholders at each annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs, and he shall from time to time report to the board of directors all matters within his knowledge which the interests of the Company may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 7. VICE-PRESIDENT – The Vice-President or Vice-Presidents, in case the board of directors shall provide that there shall be more than one, shall have such powers and perform such duties as the board of directors may from time to time prescribed, and perform such other duties as may be prescribed by these by-laws. In case of the absence or inability to act of the President, the Vice-President, or if there be more than one, such Vice-President as the board of directors may designate for the purpose who must be a member of the Board of Directors, shall have the powers and discharge the duties of the President.

SECTION 8. SECRETARY – The Secretary must be a Filipino citizen and a resident of the Philippines and shall keep the minutes of all meetings of the stockholders and of the board of directors. In addition to the foregoing, the Secretary shall perform such other duties as the board of directors may from time to time direct. He shall keep in safe custody the seal of the Company, and when authorized by the board of directors he shall affix such seal to any instrument requiring the same. The corporate seal of the Company so affixed shall always be attested by the signature of the Secretary or an Assistant Secretary. The secretary shall have charge of the stock certificate book and such other books and papers as the board may direct. He shall attend to the giving and serving of all notices, and he shall have such powers and perform such other duties as pertain to his office, or as the board

of directors may from time to time prescribe. In the absence of the Secretary or his inability to act, the Assistant Secretary designated by the board of directors shall have all the foregoing powers and duties.

SECTION 9. TREASURER – The Treasurer shall have charge of the funds, securities, receipts and disbursements of the Company. He shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Company in such banks or trust companies, or with such bankers or other depositories, as the board of directors may from time to time designate. He shall render to the President and to the board of directors whenever required an account of the financial condition of the Company and of all his transactions as treasurer. Within a reasonable time after the close of each fiscal year, he shall make and submit to the board of directors a like report for such fiscal year. He shall keep correct books of account of all business and transactions of the company. In case of absence of the Treasurer or his inability to act, the Assistant Treasurer, or if there be more than one, such Assistant Treasurer as the board of directors may designate, shall have the foregoing powers and duties.

SECTION 10. GENERAL MANAGER – The board of directors may employ a general manager who shall have such powers and duties as the board of directors my designate.

ARTICLE III
MEETING OF STOCKHOLDERS

SECTION 1. ANNUAL MEETING – The annual meeting of the stockholders shall be held at the principal office of the Company or in such place in the municipality where the principal office is located, in the month of May of each year as may be fixed by the Board of Directors. (As amended during the special meeting of the Board of Directors and the Annual Stockholder' meeting both held on June 11, 1996)

SECTION 2. SPECIAL MEETINGS – Special meeting of the stockholders may be called by order of the Board of Directors, or by the President whenever the holder of record of not less than one-fourth of the outstanding capital stock of the company with voting privilege, shall in writing so request.

SECTION 3. NOTICES – Notices of the time and place of holding any annual meeting, or any special meeting, of the stockholders, shall be given either by posting the same enclosed in a postage prepaid envelope, addressed to each stockholder of record entitled to vote at the address left by such stockholder with the secretary of the Company, or at his last known post-office address, or by delivering the same to him in person or by messengerial service, at least seven (7) days before the date set for such meeting. Every stockholder shall furnish the Secretary with the address at which notices of meetings and all other corporation notices may be served upon or mailed to him, and if any stockholder shall fail to furnish such address, notices may be served upon him by mail directed to him at his last known post-office address. The notice of every special meeting shall state briefly the objects of the meeting, and no other business shall be transacted at such meeting except by consent of all the stockholders of the Company entitled to vote. No notice of any meeting need be published in any newspaper. Failure to give or any defect or irregularity in giving the notice of the annual meeting shall not affect or invalidate the actions or proceedings at such meeting. The stockholders of the Company entitled to vote, may, by unanimous consent in writing, waive notice of the time, place and purpose of any meeting of stockholders and any action taken at a meeting held pursuant to such waiver shall be valid and binding.

SECTION 4. QUORUM – A quorum for any meeting of the stockholders shall consist of a majority of the subscribed stock of the corporation, and a majority of such quorum shall decide any question at the meeting, save and except in those matters where the Corporation Law requires the affirmative vote of a greater proportion.

SECTION 5. RECORD DATE – The Board of Directors shall have the authority to fix the record date for stockholders entitled to vote at any regular or special stockholders' meeting, which must not be more than 45 days before the stockholders' meeting concerned.

SECTION 6. ORDER OF BUSINESS – The order of business at the annual meeting of the stockholders shall be as follows:

(1) Proof of the required notice of the meeting.
(2) Proof of the presence of a quorum.
(3) Reading of minutes of previous meeting and action thereon.
(4) Report of Board of Directors.
(5) Unfinished business.
(6) New business.
(7) Election of directors for the ensuing year.
(8) Other matters.

The order of business to be followed at any meeting may be determined by the presiding officer or by vote of the majority in interest of the stockholders entitled to vote, present or represented at such meeting.

SECTION 6. VOTING – At every meeting of the stockholders of the Company, every stockholder entitled to vote shall be entitled to one vote for each share of stock standing in his name on the books of the Company. Provided, however, that in the case of the election of Directors every stockholder entitled to vote shall be entitled to cumulate his votes in accordance with the provisions of law. At any meeting of the stockholders, the holders of record of majority of the stock of the Company then issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business except where it is otherwise provided by the Corporation Code and, in the absence of a quorum, the stockholders attending or represented at the time and place at which such meeting shall have been called, or to which it may have been adjourned, or any

officer entitled to preside at such meeting or to act as secretary hereof, may adjourn such meeting for a period not exceeding twenty days.

SECTION 7. PROXIES – Every stockholder entitled to vote at any meeting of the stockholders may, so vote by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself, or by his duly authorized attorney in favor of a registered stockholder. No proxy in favor of a third person who is no a bona fide registered stockholder of the Company and no proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the Meeting. The instrument authorizing a proxy to act shall be lodged with the Secretary at least five (5) days before the date of the meeting. No proxy shall be recognized for shares in the names of stockbrokers who are members of the stock exchanges, unless accompanied by the written consent or authorization of their clients authorizing the grant of such proxy or by a certification by the stockbroker that the shares are beneficially owned by him.

SECTION 8. ELECTION INSPECTORS – The stockholders entitled to vote may, at each annual meeting, appoint three persons (who need not be stockholders) to act as inspectors of election at all meetings of the stockholders until the close of the next annual meeting. If any inspector shall refuse to serve or neglect to attend at any meeting of the stockholders, or his office shall become vacant, the meeting may appoint another inspector in his place.

ARTICLE IV
SHARES AND THEIR TRANSFERS

SECTION 1. ISSUE AND TRANSFER – The board of directors shall provide for the issue and transfer of the capital stock of the Company and shall prescribe the form of the certificate of stock. Every owner of fully paid stock of the Company shall be entitled to a certificate of stock of the Company certifying the number of shares owned by him. I shall be signed by the President or in his absence, by a Vice-

President and countersigned by the Secretary or Assistant Secretary of the Company and sealed with its corporate seal. Upon resolution of the Board of Directors and provided that there is a duly appointed transfer agent, signatures of the President or the Secretary may be made by affixing the facsimile of their signatures. The certificates of stock shall be issued in consecutive order from certificate books of the company, and certificates shall be numbered in the order in which they are issued.

Every certificate surrendered for exchange or transfer of stock shall be cancelled and affixed to the original stub in the certificate book, and no new certificate shall be issued for exchange or cancelled certificates until the old certificate has been so cancelled or returned to its place in the certificate book except in the cases provided by law.

SECTION 2. STOCK AND TRANSFER BOOK – There shall be kept by the Secretary of the Company a book to be known as the stock and transfer book containing the names, alphabetically arranged, of the stockholders of the Company, showing their places of residence, the number of shares of stock held by them, respectively, and the date when they respectively became the owners thereof and the amounts paid thereon, as well as all other entries required by law. Transfer of stock shall be made only on the transfer books of the Company by the holder in person or by his duly authorized attorney on surrender of the certificate or certificates representing the stock to be transferred. Every power of attorney or authority to transfer stock shall be in writing duly executed and filed with the Company. The board of directors may appoint some suitable entity or individual to facilitate transfers by stockholders under such regulations as the board of directors may from time to time prescribed.

The stock and transfer book shall be kept open during reasonable hours of each business day for the inspection of any stockholder of the Company.

SECTION 3. LOSS OR DESTRUCTION OF CERTIFICATES. – The procedure prescribed in Section 73 of the Corporation Code shall be followed for the issuance by the Corporation of new certificates in lieu of those which have been lost, stolen or destroyed.

SECTION 4. Transferees, mortgagees and pledgees of stock of the corporation or of any interest therein, shall promptly transfer the same or register notice of their lien, upon the books of the Corporation and their doing so shall stop the issuance of another certificate in the name or to the order of the owner or registered holder of the original certificate, either because of the purported loss, theft, or destruction of the original certificate, or for any other reason, provided that the release of such mortgage or pledge, duly registered or noted upon the books of the corporation, shall restore to the owner or registered holder all the privileges appertaining to such shares. This section shall not be construed as a limitation or waiver of any rights, claims or defenses not noted on the stock certificate and stock transfer books of the corporation.

ARTICLE V
DIVIDENDS

SECTION 1. DIVIDENDS – The board of directors may declare dividends only from the surplus profits arising from the business of the Company.

ARTICLE VI
CORPORATE SEAL

SECTION 1. SEAL – The corporate seal of the Company, unless otherwise ordered by the board of directors, shall be circular in form and shall bear the words:

ALSONS CONSOLIDATED RESOURCES, INC.
METRO MANILA
Incorporated 1974

ARTICLE VII
FISCAL YEAR

SECTION 1. FISCAL YEAR - The fiscal year of the company shall begin on the first day of January in each year and end on the thirty-first day of December following.

ARTICLE VIII
AMENDMENT

SECTION 1. AMENDMENTS – These by-laws or any of them may be amended or repealed at any regular meeting of the stockholders owning or representing a majority of the subscribed capital stock or at a special meeting duly called for that purpose.

KNOW ALL MEND BY THESE PRESENTS:

That we, the undersigned stockholders of the ALSONS CONSOLIDATED RESOURCES, INC., a corporation organized and existing under the laws of the Philippines, representing a majority of all the subscribed capital stock of said corporation, have voted for the foregoing by-laws of said corporation in a meeting of stockholders of said corporation this day duly held, whereby said by-laws were duly adopted by said corporation. (As amended on June 11, 1992)

IN WITNESS WHEREOF, and in compliance with the requirements of the Corporation law of the Philippines, we signed these presents at Manila, Philippines, this 7th day of January, 1975.

(SGD.) **JOSE H. RODRIGUEZ** (SGD.) **BENIGNO D. IGNACIO**

(SGD.) **ANTONIO M. UMALI** (SGD.) **ARTURO ILAGAN, JR.**

(SGD.) **ERLINDA V. GONZALEZ** (SGD.) **ROMEO G. RODRIGUEZ**

(SGD.) **REYNALDO G. RODRIGUEZ** (SGD.) **MARYLIN R. ILAGAN**

(SGD.) **ROSE MARIE G. RODRIGUEZ** (SGD.) **EUGENIO G. RODRIGUEZ**

(SGD.) **NEMESIO P. SARMIENTO**

S. E. C. Reg. No.

REPUBLIKA NG PILIPINAS
KAGAWARAN NG KALAKALAN
Komisyon sa mga Pamumuhunan at Palitan
SECURITIES AND EXCHANGE COMMISSION
MAYNILA

CERTIFICATE OF FILING OF BY-LAWS

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS.

THIS IS TO CERTIFY that the By-Laws of the

VICTORIA GOLD MINING CORPORATION

copy annexed, adopted by the stockholders owning or representing at least a majority of all the subscribed capital stock on January 7, 1975 certified to by a majority of the Board of Directors and countersigned by the Secretary of the Corporation, was filed with this Office on the 27th day of January 19.75, pursuant to the provisions of Section 20 of the Corporation Law, Act 1459, as amended, and attached to the other papers pertaining to said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Manila, Philippines, this 27th day of January in the year of our Lord nineteen hundred and seventy-five.

JULIO SUSAY, JR.
Deputy Securities and Exchange Commissioner

RECEIVED ORIGINAL
NAME
ADDRESS
DATE

CERTIFIED TRUE COPY
Page 1 of 16 pages SEP 23 20[illegible]
Verified by: D. ABAD Date issued:

SECTION 1. POWERS AND DIRECTIONS - The corporate powers of the Company shall be exercised, its business conducted and its property controlled by its board of directors, who shall be chosen by the stockholders of the company entitled to vote at the annual meeting and shall hold office for one year and until their successors are elected and shall have qualified.

SECTION 2. QUORUM - The directors shall act only as a board, and the individual directors shall have no power as such. A majority of the directors of the Company, at a meeting duly assembled, shall be necessary to constitute a quorum for the transaction of business, and the act of a majority of a quorum so present shall be valid as a corporate act.

SECTION 3. PLACE OF MEETING - The board of directors shall have power to hold its meetings, and to have one or more branch offices, within or outside of the Philippines, at such place or places as may from time to time be designated or it.

SECTION 4. MEETING OF DIRECTORS - The Board of Directors shall hold a regular meeting as soon as may be practicable after the annual meeting of stockholders and elect officers for the coming year.

The Board of Directors shall hold regular monthly meetings, at such time and place as the board of directors may prescribe. Special meetings of the board of directors may be called by the president or by written request of any two directors. Notice of all regular or special meetings of the board of directors shall be mailed to each director at his last known

CERTIFIED TRUE COPY
SEP 23

post-office address, or delivered to him personally, or left at his office, or transmitted by telegraph or telephone at least two days prior to the date fixed for the meeting. No notice need be given of meetings of the Board of directors held at the time and place previously fixed by the board of directors.

SECTION 5. VACANCIES - If any vacancy shall occur among the directors by reason of death, resignation, or for any other reason, such vacancy may be filled by the remaining directors constituting a quorum at any meeting or adjourned meeting held during such vacancy, provided the notice of the meeting shall have mentioned such vacancy or expected vacancy. The stockholders entitled to vote at any such meeting may also, in case of like nature, accept the resignation of any director and fill the vacancy thereby caused for the unexpired term. In case of a vacancy in the board, the remaining directors shall continue to act, but if at any time their number be reduced to less than the quorum, the remaining directors shall forthwith call a special meeting of the stockholders entitled to vote for the purpose of filling such vacancies.

SECTION 6. OFFICERS AND AGENTS; OTHER OFFICERS - The Board shall, in each year, elect the officers specified in each year, elect the officers specified in Section 1 of Article II hereof, and may elect or appoint such other officers, agents and employees as it shall deem necessary for the proper conduct of the corporation's business in any part of the Philippines or in any foreign country, and may fill any vacancy which may occur in any office. The Board shall determine the compensation to be paid to all such other officers, agents and employees.

SECTION 7. QUORUM - The presence of a majority of the Directors, by

SEP 23 2011

vote of the majority of the whole board may appoint from the directors such committees as they may deem judicious, and to such extent as is provided by resolution may delegate to such committees all or any of the powers of the Board of Directors which may be lawfully delegated, and such committees shall have and thereupon may exercise all or any of the powers so delegated to them.

The Board of Directors may also appoint such person or persons as they may see fit to act as an advisory committee at any particular office of the corporation.

SECTION 2. COMPENSATION OF DIRECTORS - Unless otherwise provided by the stockholders, each member of the board of directors shall only be entitled to reimbursement for all expenses incurred, or for attending regular or special meetings; provided, however, that nothing herein contained shall be construed to preclude any director from serving in any other capacity and receiving compensation therefor.

ARTICLE II

OFFICERS OF THE COMPANY

SECTION 1. OFFICERS - The officers of the company shall be a Chairman of the Board, a Vice-Chairman of the Board, a President, who shall be members of the board of directors, one or more Vice-Presidents, a Treasurer and a Secretary, a Vice-Treasurer and a Vice-Secretary, and such other officers as may be decided upon by the Board, all of whom shall be elected by the Board of Directors.

SECTION 2. ELECTION - Officers shall be elected by each board at the first meeting after the election. Every officer shall be subject to removal for cause at any time by the board of directors, and all officers, unless removed, shall hold office until their successors are elected. If any

COPY

vacancy shall occur among the officers of the Company, such vacancies shall be filled by the board of directors.

SECTION 3. POWERS, DUTIES and COMPENSATION - The executive officers of the Company shall have such powers and duties as are specified in these by-laws, and such other powers and duties as may from time to time be assigned to them by the board of directors.

The monthly compensation of the executive officers of the Company shall be fixed by the board of directors. The amounts of compensation thus fixed in accordance with this section for the different executive officers may be increased or decreased by the board of directors.

The board of directors shall from time to time prescribe the powers and duties and fix the compensation of the other officers, agents and employees of the Company in the management of its property and affairs where such powers and duties are not prescribed by the by-laws.

SECTION 4. CHAIRMAN OF THE BOARD - The Chairman of the Board shall preside over all meetings, whether regular or special, of the Board of Directors and shall likewise preside over all meetings of stockholders. He shall have such other powers and duties as may be assigned to him by the Board of Directors.

SECTION 5. VICE-CHAIRMAN OF THE BOARD - The Vice-Chairman of the Board shall perform all the duties of the Chairman of the Board in his absence.

SECTION 6. PRESIDENT - The President shall be the Chief Executive Officer of the Company. The President shall have general management and supervision of the business affairs and property of the Company. He shall have the power to enter into contracts and arrangements for and in behalf of the Company and to employ, appoint and remove officers.

COPY

- 5 -

seeking to acquire and locate and to maintain mining claims for and in behalf of the corporation, its employees of the Company, he shall see that all prior and/or resolution of the board of directors are carried into effect. The President shall submit to the stockholders at each annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs, and he shall from time to time report to the board of directors all matters within his knowledge which the interests of the Company may require to be brought to their notice. He shall do and perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 7. VICE-PRESIDENT - The Vice-President or Vice-Presidents, in case the board of directors shall provide that there shall be more than one, shall have such powers and perform such duties as the board of directors may from time to time prescribe, and perform such other duties as may be prescribed by these by-laws. In case of the absence or inability to act of the President, the Vice-President, or if there be more than one, such Vice-President as the board of directors may designate for the purpose, must be a member of the Board of Directors and shall have the powers and discharge the duties of the President.

SECTION 8. SECRETARY - The Secretary must be a Filipino citizen and a resident of the Philippines and shall keep the minutes of all meetings of the stockholders, of the board of directors, and of all committees in a book or books kept for the purpose and shall [illegible] a copy of all such minutes to the [illegible] of the Company. In addition to the foregoing, [illegible] perform such other duties as the board of [illegible] may from time to time [illegible] he shall keep in safe [illegible] the seal of the Company, [illegible] authorized by the [illegible] and to affix the same [illegible] when [illegible] by the [illegible] and to [illegible]

CERTIFIED TRUE COPY
SEP 21 05

certificates for shares of the capital stock of the Company shall always be countersigned by the signature of the Secretary or an Assistant Secretary. The Secretary shall have charge of the stock certificate book and such other books and papers as the board may direct. He shall attend to the giving and serving of all notices, and he shall have such powers and perform such other duties as pertain to his office, or as the board of directors may from time to time prescribe. In the absence of the Secretary or his inability to act, the assistant secretary designated by the board of directors shall have all the foregoing powers and duties.

SECTION 6. THE TREASURER - The Treasurer shall have charge of the funds, securities, receipts and disbursements of the Company. He shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Company in such banks or trust companies, or with such bankers or other depositories, as the board of directors may from time to time designate. He shall render to the President and to the board of directors whenever required an account of the financial condition of the Company and of all his transactions as treasurer. Within a reasonable time after the close of each fiscal year, he shall make and submit to the board of directors a like report for such fiscal year. He shall keep correct books of account of all the business and transactions of the Company. In case of absence of the Treasurer or his inability to act, the Assistant Treasurer, or if there be more than one, such assistant treasurer as the board of directors may designate, shall have the foregoing powers and duties.

SECTION 7. GENERAL MANAGER - The board of directors may employ a general manager and a resident manager who shall have such powers and duties as the board of directors may designate

CERTIFIED TRUE COPY
Page 3 of 16 pages
SEP 23 [illegible]

ARTICLE III

MEETING OF STOCKHOLDERS

SECTION 1. ANNUAL MEETING - The annual meeting of the stockholders shall be held at the principal office of the Company in the City of Manila, Philippines, at 3:00 o'clock in the afternoon, on the fourth Friday of March in each year, unless such day shall be a legal holiday, in which case it shall be held on the next business day following.

SECTION 2. SPECIAL MEETINGS - Special meetings of the stockholders may be called by the President, or by order of the Board of Directors, whenever he or they shall deem it necessary, and it shall be the duty of the President to order the call such special meetings whenever the holders of record of not less than one-fourth of the outstanding capital stock of the company with voting privilege, shall in writing so request.

SECTION 3. NOTICES - Notice of the time and place of holding any annual meeting, or any special meeting, of the stockholders, shall be given either by posting the same enclosed in a postage prepaid envelope, addressed to each stockholder of record entitled to vote at the address left by such stockholder with the secretary of the Company, or at his last known post-office address, or by delivering the same to him in person, at least two days before the date set for such meeting. Every stockholder shall furnish the secretary with the address at which notices of meetings and all other corporation notices may be served upon or mailed to him, and if any stockholder shall fail to furnish such address, notices may be served upon him by mail directed to him at his last known post-office address. The notice of every special meeting shall state briefly the objects of the meeting, and no other business shall be transacted at

CERTIFIED TRUE COPY
SEP 23

such meeting, except by consent of all the stockholders of the Company entitled to vote, nor shall notice of any meeting need be published in any newspaper. Failure to give or any defect or irregularity in the notice of the annual meeting shall not affect or invalidate the actions or proceedings at such meeting. The stockholder of the Company entitled to vote may, by unanimous consent in writing, waive notice of the time, place and purpose of any meeting of stockholders and any action taken at a meeting held pursuant to such waiver shall be valid and binding.

SECTION 4. QUORUM - A quorum for any meeting of the stockholders shall consist of a majority of the subscribed stock of the corporation, and a majority of such quorum shall decide any question at the meeting, save and except in those matters where the Corporation Law requires the affirmative vote of a greater proportion.

SECTION 5. ORDER OF BUSINESS - The order of business at the annual meeting of the stockholders shall be as follows:

(1) Proof of the required notice of the meeting.

(2) Proof of the presence of a quorum.

(3) Reading of minutes of previous meeting and action thereon.

(4) Report of Board of Directors.

(5) Unfinished business.

(6) New business.

(7) Appointment of inspectors of election to serve until the close of the next annual meeting.

(8) Election of directors for the ensuing year.

The order of business to be followed at any meeting may be determined by the presiding officer or by vote of the majority in interest of the stockholders entitled to vote, present in person or represented at such meeting.

FILED OFFICE COPY 1 SEP 27 20[illegible]

[illegible] of the Company, every stockholder entitled to vote shall be entitled to one vote for each share of stock standing in his name on the books of the Company. Provided, however, that in the case of the election of directors every stockholder entitled to vote shall be entitled to cumulate his votes in accordance with the provisions of law in such case made and provided. Every stockholder entitled to vote at any meeting of stockholders may so vote by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself, or by his duly authorized attorney. The instrument authorizing a proxy to act shall be exhibited to the Secretary and inspectors of election, and shall be lodged with the Secretary when they all so request. At any meeting of the stockholders, the holders of record of a majority of the stock of the Company then issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business except where it is otherwise provided in the By-Laws and, in the absence of a quorum, the stockholders attending or represented at the time and place to which such meeting shall have been called, or to which it shall have been adjourned, or any officer entitled to preside at such meeting or to act as secretary thereof, may adjourn such meeting for a period not exceeding twenty days.

SECTION 5. ELECTION INSPECTORS - The stockholders entitled to vote may, at each annual meeting, appoint two persons (who need not be stockholders) to act as inspectors of election but all meetings of the stockholders until the close of the next annual meeting. If any inspector shall refuse to serve or neglect to attend at any meeting of the stockholders, or his office shall become vacant, the meeting may appoint

an inspector in his place.

ARTICLE IV

INVESTMENTS, BANKS OR DEPOSITARIES, AND CHECKS

SECTION 1. Investments. No investment of any character shall be made without the approval of the Board of Directors.

SECTION 2. Banks. - All checks and drafts and all funds of the Company shall be deposited from time to time to the credit of the Company in such banks or trust companies, or with such bankers or other depositories as the board of directors may from time to time designate. The funds of the Company shall be disbursed by checks or drafts upon the authorized depositories of the Company signed by the President and/or such other officer or officers as the board of directors may from time to time direct. No checks shall be drawn or notes used for any purpose other than the corporate business of the Company. Record shall be kept of the purpose and amount for which the checks are drawn.

ARTICLE V

SHARES AND THEIR TRANSFER

SECTION 1. Issue and Transfer. The board of directors shall provide for the issue and transfer of the capital stock of the Company and shall prescribe the form of the certificate or [illegible]. Every owner of fully paid stock of the Company shall be entitled to a certificate of stock of the Company certifying the number of shares owned by him. It shall be signed by the President or in his absence, by a Vice-President and countersigned by the Secretary or an Assistant Secretary of the Company and sealed with the corporate seal. The certificates of stock shall be issued in consecutive order from certificate books of the Company, and certificates for [illegible] are issued.

COPY

...issued shall be entered the ...name of the person, firm or corporation owning the stock represented by such certificate, the number of shares in respect of which the certificate is issued, and in the case of cancellation, the date of cancellation.

...certificate surrendered for exchange or transfer shall be cancelled and affixed to the original stub in the certificate book, and no new certificate shall be issued in exchange for any cancelled certificates until the old certificate has been so cancelled or returned to its place in the certificate book, except in the cases provided for in Section 3 of Article V of these By-laws.

...STOCK AND TRANSFER BOOK - There shall be kept ...principal office of the Company a book to be known as the stock transfer book containing the names, alphabetically arranged, of all stockholders of the Company, showing their places of residence, the number of shares of stock held by them, respectively, and the time when they respectively became the owners thereof, and the amounts paid thereon, as well as all other matters required by law. Transfers of stock shall be made only on the transfer books of the Company by the holder of record thereof or by his duly authorized attorney on surrender of the certificate or certificates representing the stock to be transferred. Every power of attorney or authority to transfer stock shall be in writing, duly executed and filed with the Company. The board of directors may appoint some suitable entity or individual to facilitate transfers by stockholders of record, on such regulations as the board of directors may from time to time prescribe.

The stock transfer book shall be kept open during ...reasonable hours of each business day for the inspection of any stockholder of the Company. ...book shall be closed

CERTIFIED COPY

Prepared by [illegible] SEP 23 [illegible]

Checked by [illegible]

[illegible] before each meeting of the stockholders, and during such period no stock may be transferred.

SECTION 3. [illegible] CERTIFICATES - In accordance with Republic Act No. 201, the following procedure shall be allowed for the issuance by corporations of new certificates of stock in lieu of those which have been lost, stolen or destroyed:

The registered owner of certificates of stock or his legal representative shall file an affidavit in triplicate with the corporation issuing said certificates setting forth, if possible, the circumstances as to how, when and where said certificates were lost, stolen or destroyed, the number of shares represented by each certificate, the serial numbers of the certificates, and the name of the corporation which issued the same. He shall also submit such other information and evidence which he may deem necessary.

After ratifying the affidavit and other information and evidence with the books of the corporation, said corporation shall publish a notice, once a week for three consecutive weeks in a newspaper of general circulation in the Philippines, published in the place where said corporation has its principal office, once a week for three consecutive weeks at the expense of the registered owner of the certificates of stock which have been lost, stolen or destroyed. The notice shall state the name of said corporation, the name of the registered owner and serial number of said certificates, and that after the expiration of one year from the date of the last publication, if no protest has been presented to said corporation regarding said certificate of stock, the right to make such protest shall be barred and said corporation shall cancel in its books the certificates of stock which have been lost, stolen or destroyed and issue in lieu thereof new certificates of stock, unless the registered owner files a bond or other security in a sum thereof as may be required, running for a period of one year, for a sum and in such form and with such sureties as may be satisfactory to the Board of Directors, in which case a new certificate may be issued even before the expiration of the one year period provided herein: Provided, that if an action is pending in court regarding the ownership of said certificates of stock which have been lost, stolen or destroyed, the issuance of the new certificates of stock in lieu thereof shall be suspended until final decision by the court regarding the ownership of said certificates of stock.

Any such new certificate issued in lieu of those lost, stolen or destroyed in accordance with the procedure provided in this section, shall re-

CERTIFIED COPY
Page 12 of 16 pages
Verified by D. ABA

store to the person to whom such new certificate is issued all privileges pertaining thereto.

SECTION 4. Transferees, mortgagees and pledgees of stock of the corporation or of any interest therein, shall promptly transfer the same or register notice of their lien, upon the books of the corporation and their doing so shall stop the issuance of another certificate in the name or to the order of the owner or registered holder of the original certificate, either because of the purported loss, theft, or destruction of the original certificate, or for any other reason, provided that the release of such mortgage or pledge, duly registered or noted upon the books of the corporation, shall restore to the owner or registered holder all the privileges appertaining to such shares. This section shall not be construed as a limitation or waiver of any rights, claims or defenses not noted on the stock certificate and stock transfer books of the corporation.

ARTICLE VI

D I V I D E N D S

SECTION 1. DIVIDENDS - The board of directors may declare dividends only from the surplus profits arising from the business of the company.

ARTICLE VII

CORPORATE SEAL

SECTION 1. SEAL - The corporate seal of the Company, unless otherwise ordered by the board of directors, shall be circular in form and shall bear the words:

VICTORIA GOLD MINING CORPORATION
MANILA, P. I.
Incorporated 1974

CERTIFIED TRUE COPY
SEP 23 1974

ARTICLE VII

FISCAL YEAR

SECTION 1. FISCAL YEAR. The fiscal year of the Company shall begin on the first day of January in each year and end on the thirty-first day of December following.

ARTICLE IX

AMENDMENTS

SECTION 1. AMENDMENTS. These by-laws or any of them may be amended or repealed at any regular meeting of the stockholders owning or representing a majority of the subscribed capital stock or at a special meeting duly called for that purpose.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned stockholders of the VICTORIA GOLD MINING CORPORATION, a corporation organized and existing under the laws of the Philippines, representing a majority of all the subscribed capital stock of said corporation, have voted for the foregoing by-laws of said corporation in a meeting of stockholders of said corporation this day duly held, whereby said by-laws were duly adopted by said corporation.

IN WITNESS WHEREOF, we in compliance with the requirements of the Corporation Law of the Philippines, we signed these presents at Manila, Philippines, this 7th day of January, 1935.

JOSE M. RODRIGUEZ

ANTONIO L. UMALI

REINALDO G. ROMUALDEZ

JOSE MARIE J. RODRIGUEZ

LEONARDO D. IGNACIO

EDUARDO ILAGAN, JR.

CARLOS G. ROBERTSON

BENJAMIN T. ILAGAN

FILED
SEP 13 1935

DIRECTORS' CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

That we, the majority of the Board of Directors of the VICTORIA GOLD MINING CORPORATION, and the Secretary, do hereby certify that the attached code of by-laws was unanimously adopted at a meeting of the stockholders of the said corporation held at 708 Pedro Gil, Manila at 3:00 o'clock P.M. on the 7th day of January, 1975 at which the shareholders present or represented owned a majority of the subscribed capital stock.

IN WITNESS WHEREOF, we have hereunto set our hands on this 7th day of January, 1975 in the City of Manila, Philippines.

JOSE H. RODRIGUEZ

BENIGNO B. IGNACIO

ANTONIO H. DIAZ

ERLINDA V. GONZALES

EMILIO P. BARRIENTO

ARTURO ILAGAN, SR.

ROMEO G. RODRIGUEZ

MARIA N. F. ILAGAN

REYNALDO G. RODRIGUEZ

ATTEST:

EMILIO P. BARRIENTO
Secretary

CERTIFIED TRUE COPY

SEP 23 2011

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI

Komisyon sa mga Tagapagpalit at Bulitan

SECURITIES AND EXCHANGE COMMISSION
MAYNILA

Rec. No. 55966

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

WHEREAS, Articles of Incorporation duly signed and acknowledged for the organization of the VICTORIA GOLF KILTED CORPORATION

under and in accordance with the provisions of Act of the Philippine Commission Numbered Fifteen hundred and fifty-nine, enacted March first, Nineteen hundred and two as amended by Acts of the Philippine Legislature, Numbered Fifteen hundred and six, Fifteen hundred and sixty-five, Sixteen hundred and thirty, Seventeen hundred and forty-four, Eighteen hundred and thirty-four, Eighteen hundred and ninety-four, Twenty hundred and three, Twenty hundred and twelve, Twenty hundred and thirty-seven, Twenty hundred and ninety-two, Twenty-one hundred, Twenty-one hundred and thirty-five, Twenty-four hundred and fifty-two, Twenty-four hundred and twenty-eight, Twenty-seven hundred and ninety-two, Twenty-nine hundred Twenty-nine hundred and ninety-four, Thirty-five hundred and eighteen, Thirty-six hundred and ten, Thirty-seven hundred and forty-one, Thirty-eight hundred and forty-nine and Thirty-eight hundred and fifty, and Commonwealth Acts Numbered Two hundred and eighty-seven, and Four hundred and thirty-seven, were presented for filing in this Commission on the 26th day of December, 1974 and a copy of which said Articles is hereto attached.

NOW, THEREFORE, by virtue of the powers and duties vested in me by law, I do hereby certify that the said Articles of Incorporation were, after due examination to determine whether they are in accordance with law, duly registered in this Commission on the 26th day of December, Anno Domini Nineteen hundred and seventy-four.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Manila, Philippines, this 26th day of December, in the year of our Lord nineteen hundred and seventy-four.

ARCADIO B. SANTAMARIA
Securities and Exchange Commissioner

By:

CERTIFIED TRUE COPY
Page 1 of 4 pages
Verified by: B. ABAD Date Issued: SEP 23 20

REPUBLIC OF THE PHILIPPINES

TITLE OF THE ARTICLES OF INCORPORATION

PAID ₱ 1050.-
O.R. No. 040F703
Dated 12-13-74

WE, the undersigned, all of whom are of legal age, Filipino citizens and all of whom are residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines;

PAID ₱ 2.00
O.R. No. 040F703
Dated 12-13-74

AND WE HEREBY CERTIFY

That the name of the corporation shall be, "VICTORIA GOLD MINING CORPORATION".

SECOND: That the purposes for which said corporation is formed are:

PAID ₱ 20.-
O.R. No. 040860
Dated 12-13-74

PRIMARY PURPOSE

To prospect, explore, discover, stake and locate, report, exploit, dig and drill, extract, produce, purchase, lease mining claims in the Philippines either in its name and for the benefit of others, and to purchase, lease, and otherwise acquire, and to sell, dispose of leasehold rights and interests in, and the right to develop such mining claims and mining properties of whatever nature, and to engage in any other business of mining in general and to acquire, store, hold, transport, use, exchange with, market, distribute, exchange, sell and otherwise dispose of, import, export, handle, manufacture and melt any metallic and non-metallic minerals and all kinds of coal, gold, silver, copper, nickel, lead, zinc, iron, titanium, vanadium, quicksilver, tin, asbestos, ores, rocks, stones and mineral substances of all grades, kinds, forms, descriptions and combinations and in general subsoil products and sulfurous deposits of every nature and descriptions and the products and by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mining any of the foregoing with other substances.

10-f
117592
12-13-74

SECONDARY PURPOSES

To prospect, explore, discover, stake and drill for, report, exploit, dig, extract, produce, purchase, locate, lease, and otherwise acquire concessions in its name and for its benefit and in the name of and for the benefit of others, and otherwise acquire, store, hold, transport, use, exchange with, market, distribute, exchange, sell, and otherwise dispose of, import, export and handle,

CERTIFIED TRUE COPY

Page 2 of 14 Pages

Verified by BCABAD, Date 12-13-74

[illegible] refine, treat, enrich, [illegible] smelt any and all [illegible] products, oil, gas [illegible];

[illegible] purchase, lease, contract, [illegible] any and all real estate, [illegible] options, grants, concessions, [illegible] and other rights, privileges [illegible] estates, interests and properties of [illegible] description whatsoever which the [illegible] necessary or appropriate in [illegible] incorporation, or of any other [illegible] the corporation may lawfully en- [illegible] hold, rent, operate, improve, [illegible] mortgage, pledge, grant, lease, sell, [illegible] otherwise dispose of the whole or [illegible] thereof;

[illegible] in agriculture, deep sea fish- [illegible], fishing and canning industries, salt [illegible], movie houses, recreation centers, fer- [illegible] manufacturing, real estate, and manufactur- [illegible] copper products and its by-products and [illegible];

[illegible] enter into contracts with other corpo- [illegible] to engage in exploitation of mineral [illegible] in its natural state, rock or carbon [illegible] gas, and other volatile materials, che- [illegible] and salts, or to mine, dig for or [illegible] from the earth the same substances [illegible], refine, prepare for market, buy [illegible] transport the same in crude and refined [illegible] to engage, as may be permitted by law, [illegible] of, and/or investing in, manufactur- [illegible] and servicing in addition to oil [illegible] and development;

[illegible] FURTHER PURPOSES, the CORPO- [illegible] have the following additional powers:

[illegible] acquire by lease such lands as are [illegible] its business and to purchase, acquire, [illegible], sell and convey buildings, warehouses, [illegible] equipment and other personal properties [illegible] necessary or incidental to the conduct of [illegible] business;

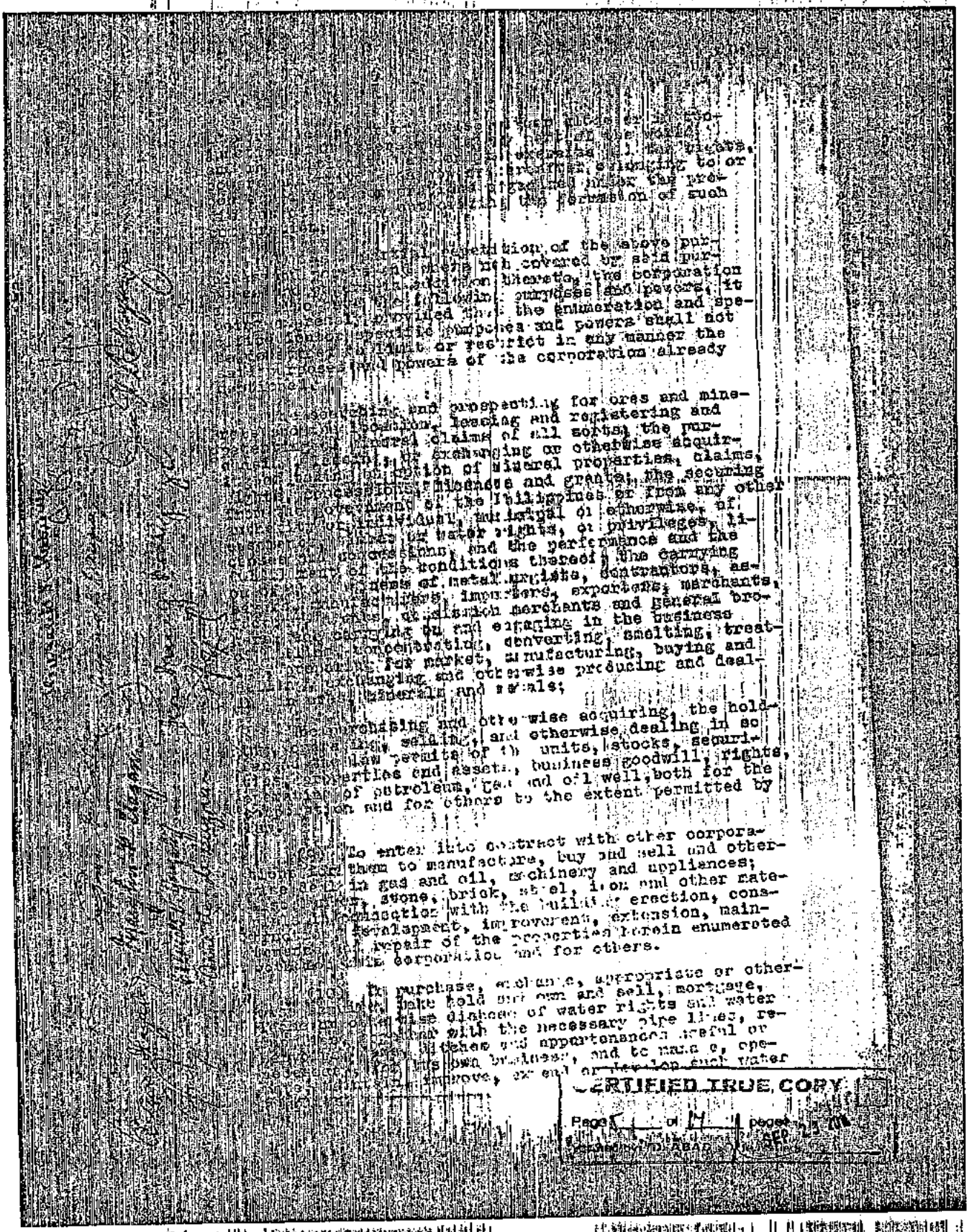
[illegible] borrow or raise money necessary to meet [illegible] requirements of its business by the [illegible] promissory notes and other evidences of [illegible] and to secure the repayment thereof by [illegible], deed of trust or lien upon the pro- [illegible] the corporation, or to issue pursuant to [illegible] its capital stock, and other evidence [illegible] in payment for properties acquired [illegible] corporation for money borrowed in the prose- [illegible] lawful business;

[illegible] invest and deal with the moneys and [illegible] the corporation in such manner as may [illegible] considered wise or expedient [illegible] advancement of its interests and [illegible]

CERTIFIED COPY

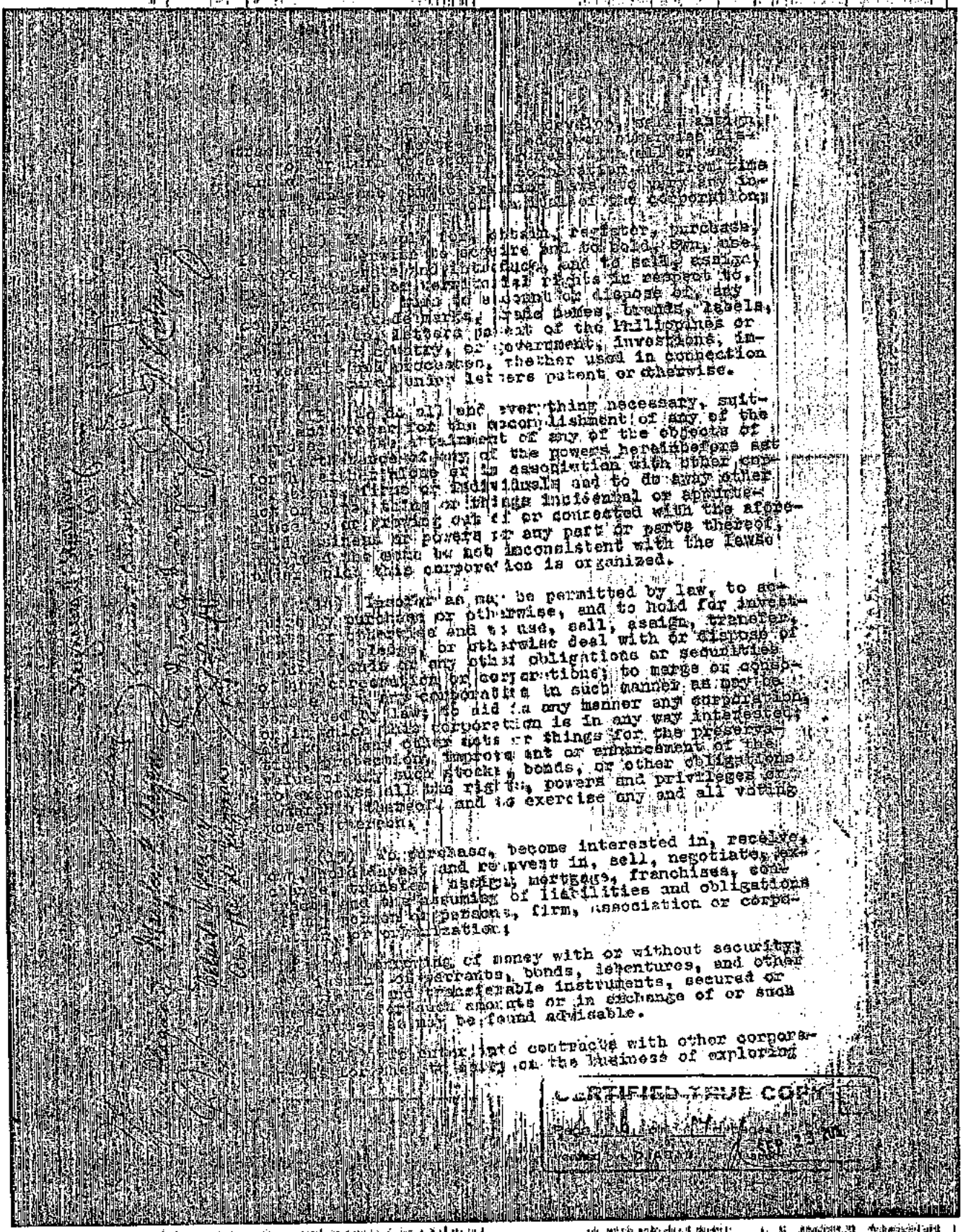
CERTIFIED TRUE COPY

Page 1 of 1 page



CERTIFIED TRUE COPY

Page 5 of 14 pages



CERTIFIED TRUE COPY

...mer...
...ing,
...ing,
...and otherwise deal-
...all kinds of
...carbon and hydro-
...minerals, mineral waxes, and the
...products and by-products

...into contracts with other corpo-
...to purchase, take, hold, own, lease,
...otherwise acquire, and develop, sell, mort-
...and deal in oil-bearing lands, wells, and rights,
...interest whatsoever therein or thereto.

...exchange, contract for, lease, and
...other ways, acquire, take, hold and own,
...and, mortgage, lease or otherwise
...lands, mining claims, mineral rights, and
...property, and mining claims, mineral rights,
...real property, and rights and interest in
...property, and to manage, operate, main-
...and develop the said properties, and
...of them.

...enter into contract with other corpora-
...them, to refine and manufacture petroleum
...and mineral products, and to transport, mar-
...sell and dispose of the same. And to that end,
...purchase, buy, lease or otherwise acquire
...and all necessary stills, storage tanks,
...and all necessary transportation facilities,
...machinery and fixtures, and to hold, own,
...maintain and to buy, lease or otherwise
...to hold and own lands and lease-holds for
...operation thereon of the said refineries.

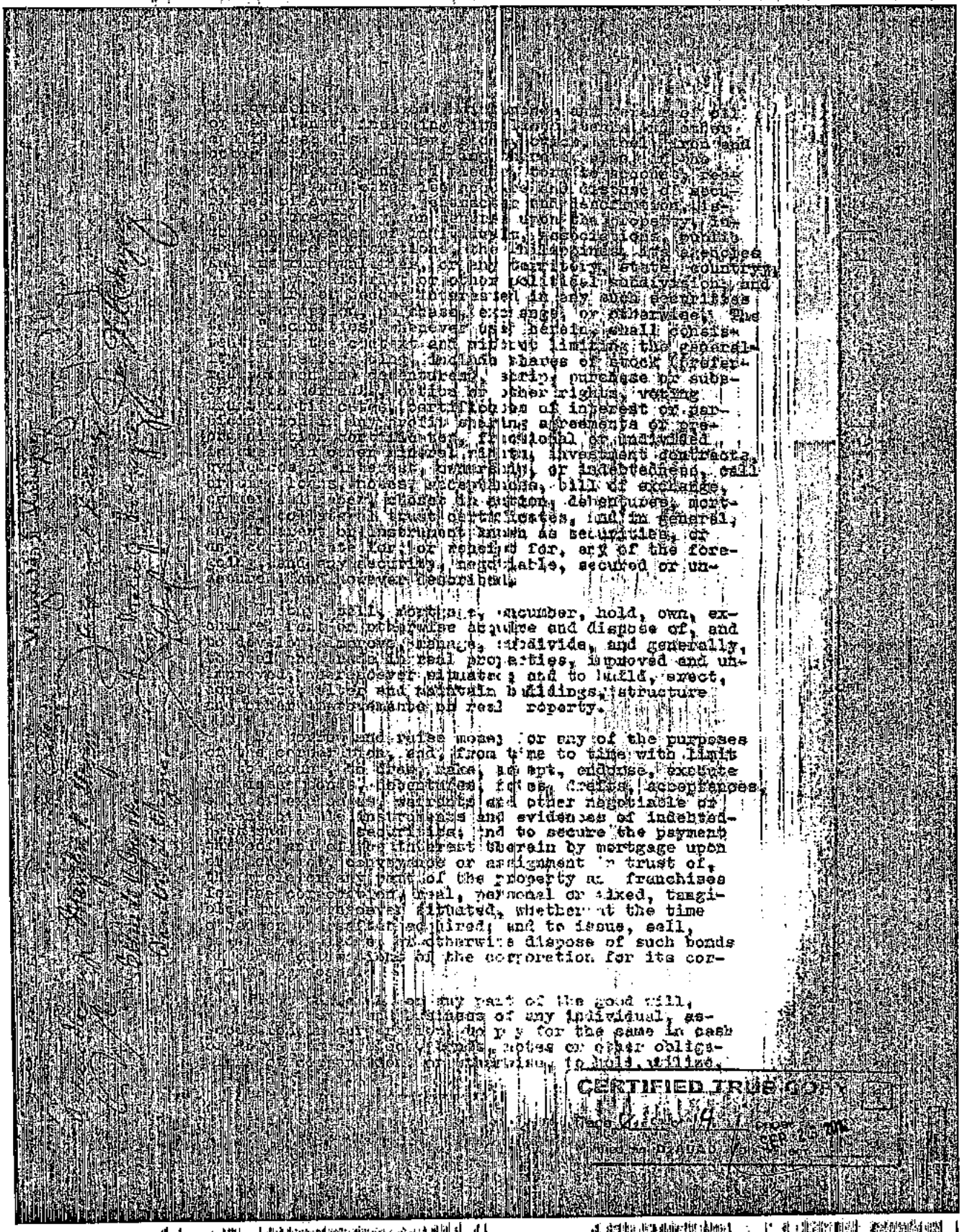
...enter into contract with other corpora-
...to carry, take, transport, store and
...gasoline, naphtha, hydro-carbons, and
...by pipe lines, steam and sailing vessels,
...barges, or any other means or method of trans-
...transportation not known or hereafter dis-
...and to that end to lay, build, construct,
...lease or otherwise acquire pipe lines or any and
...type and character, with all pumping or compres-
...stations, storage tanks, machinery, appliances,
...equipment, together with all kinds of term-
...transfer facilities for railways and water
...when necessary or convenient to the hand-
...the corporation's oil, gasoline, naptha, hydro-
...carbons and their products and by-products
...refineries, workshops, mills warehouses,
...between and other, offices and eating
...to handle, buy and sell, exchange, deal
...and acquire all necessary machinery, equip-
...and hoisting facilities, or any other
...necessary or convenient for the operation of

...and enter into contracts with other corpora-
...and assoc...

CERTIFIED TRUE COPY

Page 2 of 14 pages

SEP 23



CERTIFIED TRUE COPY

...manner
...acquired to assume
...of the
...ical personality es-
...to conduct any law-
...ful business that

...each be construed
...and it is hereby ex-
...foregoing enumeration of
...powers shall not be
...limit or alter the powers
...of the corporation, and that they are in furtherance
...and not in limitation of the
...powers conferred upon the corporation by laws
...now or hereafter in force; nor shall the enu-
...meration of one thing be deemed to exclude another,
...although it be of like nature, not expressed.

...That the place where the principal office of
...the corporation is located is in Manila, Metro Manila
...Philippines

...That the term for which said corporation is
...to exist is fifty (50) years from and after the date of in-
...corporation;

...That the names and residences of the incor-
...porators of said corporation are as follows:

Name	Nationality	Address
Elmer Gonzales	Filipino	27 Sunrise Hill, Quezon City
Jose [illegible] Rodriguez	"	45 Sunrise Hill, Quezon City
[illegible] Dragon	"	41 Sunrise Hill, Quezon City
[illegible] Dragon, Jr.	"	2972 R. Magsaysay Blvd. Sta. Mesa, Manila
[illegible] Tenorio	"	1639 Sabijano, Paco, Manila
[illegible] Umali	"	1616 8th St., Paco, Manila
[illegible] Fuentes	"	Gen. Araneza St., Pasig, Rizal
[illegible] Rodriguez	"	9th Floor Prudential Bank Bldg. Ayala Ave., Makati, Rizal
[illegible] Rodriguez	"	6221 Malaiao St., Makati, Rizal
Rose Marie C. Rodriguez	"	10th Floor Manila Bank Bldg. Ayala Ave., Makati, Rizal
[illegible] Rodriguez	"	43 Sunrise Hill, Quezon City

...That the number of directors of said corpo-
...ration shall be nine (9) and that the names and residences
...of the directors of the corporation who are to serve until

COPY

...Page 1 of 2 pages

...are elected and qualified as provided by the by-laws are as follows, to wit:

Name	Residences
Jose H. Rodriguez	43 Sunrise Hill, Quezon City
Saturno Ilagan, Jr.	41 Sunrise Hill, Quezon City
Benigno Ignacio	1639 Saturno, Paco, Manila
Jose C. Rodriguez	27 Sunrise Hill, Quezon City
Antonio M. Umali	1616 8th St., Paco, Manila
Nemesio P. Barmiento	Gen. Atienza St., Pasig, Rizal
Erlinda V. Gonzalez	27 Sunrise Hill, Quezon City
Reynaldo C. Rodriguez	6221 Malalac St., Makati, Rizal
Marylin R. Ilagan	41 Sunrise Hill, Quezon City

SEVENTH. - That the capital stock of the corporation is TWO AND FIVE MILLION (₱25,000,000.00) PESOS, Philippine currency, and said capital stock is divided into TWO AND FIVE HUNDRED MILLION (2,500,000,000) shares of the par value of one (1/100) centavo each.

EIGHTH. - That the amount of said capital stock which has been actually subscribed is FIVE MILLION (₱5,000,000.00) Philippine Currency, consisting of FIVE HUNDRED MILLION shares and the following persons have subscribed for the number of shares and amount of capital stock set out after their respective names:

Names	Residences	No. of Shares	Amount of Capital Stock Subscribed
Erlinda V. Gonzalez	27 Sunrise Hill, Q.C.	50,000,000	₱ 500,000.00
Jose H. Rodriguez	43 Sunrise Hill, Q.C.	50,000,000	500,000.00
Marylin R. Ilagan	41 Sunrise Hill, Q.C.	25,000,000	250,000.00
Saturno Ilagan, Jr.	41 Sunrise Hill, Q.C.	25,000,000	250,000.00
Benigno Ignacio	1639 Saturno, Paco, Mla.	50,000,000	500,000.00
Antonio Umali	1616 8th St, Paco	50,000,000	500,000.00
Nemesio P. Barmiento	Gen. Atienza, Pasig Rizal	50,000,000	500,000.00

CERTIFIED TRUE COPY 1
Page 10 of 40 pages SEP 23 2005

Names	Residences	No. of Shares	Amount Subscribed
[illegible]	27 Sunrise Hill, Q.C.	50,000,000	₱500,000.00
[illegible]	45 Sunrise Hill, Q.C.	50,000,000	500,000.00
[illegible]	45 Sunrise Hill, Q.C.	50,000,000	500,000.00
[illegible]	45 Sunrise Hill, Q.C.	50,000,000	500,000.00
TOTAL - - - -		500,000,000	₱5,000,000.00

[illegible] of Articles of Incorporation of [illegible] at interest which will not exceed [illegible] per annum, to [illegible] than the [illegible] shall be allowed on [illegible] to be recorded in the proper books of the Corporation and [illegible] shall be indicated in said [illegible] certificates.

IN WITNESS WHEREOF, That the following persons have paid on the [illegible] of Capital Stock for which they have subscribed the [illegible] set forth in the [illegible] respective names:

Names	Residences	Amount Paid On Subscription
Lourdes V. Gonzalez	27 Sunrise Hill, Q.C.	₱ 125,000.00
[illegible]	45 Sunrise Hill, Q.C.	125,000.00
[illegible] Tirgan	41 Sunrise Hill, Q.C.	62,500.00
Arturo Tirgan, Jr.	41 Sunrise Hill, Q.C.	62,500.00
Benjamin [illegible]	1639 Estrella, Paco, Mla.	125,000.00
Antonio M. [illegible]	1616 8th St., Paco, Mla.	125,000.00
Teresita V. [illegible]	Gen. Antonio St., Pasig Rizal	125,000.00
Romeo C. Rodriguez	27 Sunrise Hill, Q.C.	125,000.00
[illegible] Rodriguez	6221 Mañalac Street Makati, Rizal	125,000.00
Rose Marie G. [illegible]	45 Sunrise Hill, Q.C.	125,000.00
[illegible] Rodriguez	42 Sunrise Hill, Q.C.	125,000.00
	T O T A L - - - - -	₱1,250,000.00

CERTIFIED TRUE COPY

SEP 0 2 2016

SEVENTH. - That Atty. [illegible] 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 the corporation and to receipt in its name for all subscriptions paid in by said subscribers.

EIGHTH. - All officers of said corporation shall receive such compensations as the Board of Directors may provide.

IN WITNESS WHEREOF, we have hereunto set our hands this 12th day of December, 1974 in the City of Manila, Philippines.

JOSE R. RODRIGUEZ

BENIGNO IGNACIO

ARTURO ILAGAN, JR.

ROMEO C. RECTO

BELINDA V. GONZALEZ

ROMULO H. BARRIENTO

MARTIN R. ILAGAN

REINALDO G. RODRIGUEZ

SIGNED IN THE PRESENCE OF:

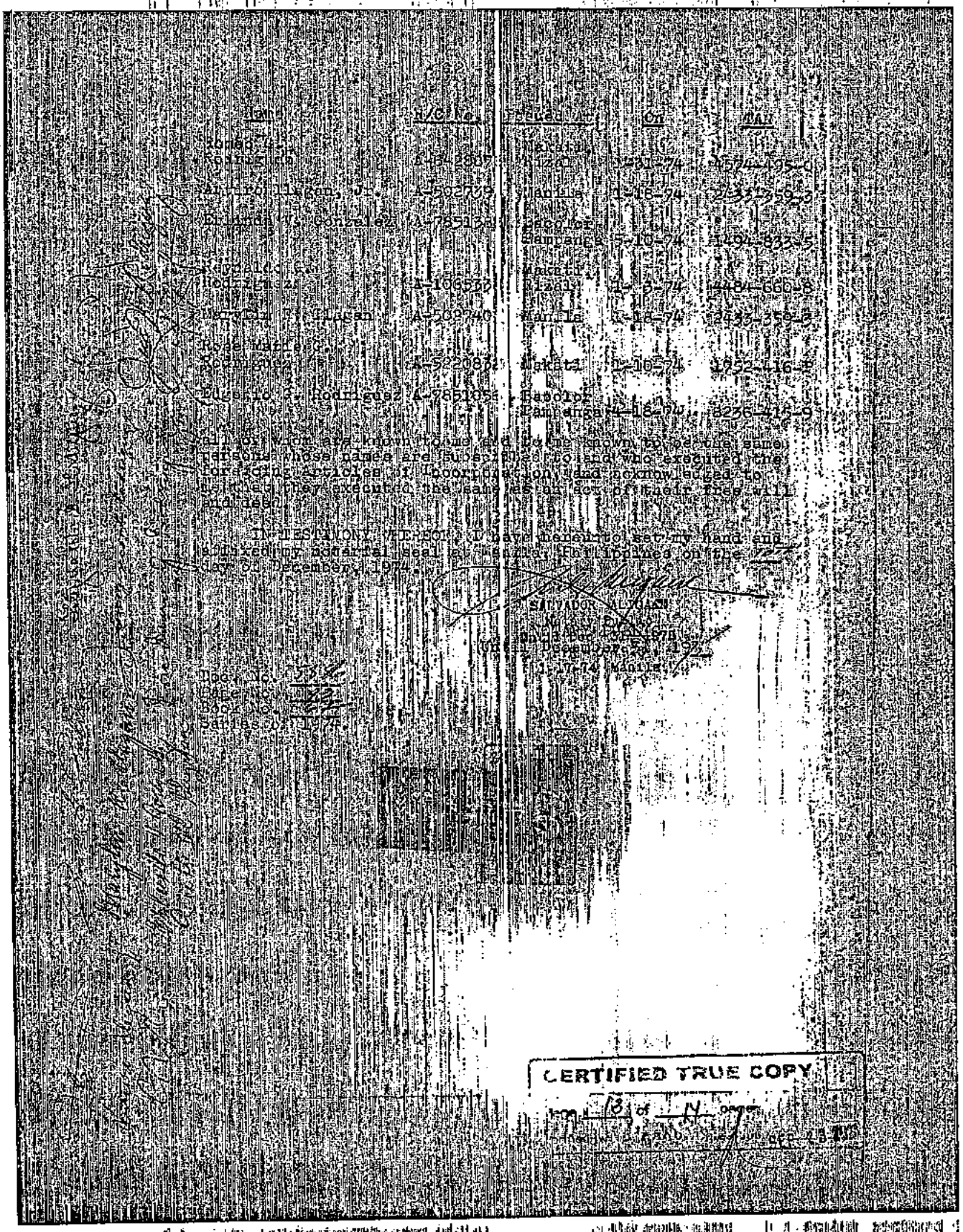
ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.

BEFORE ME, the undersigned Notary Public in and for the City of Manila, Philippines, on this 12th day of December, 1974, personally appeared:

Name	R/C No.	Issued At	On	TAN
Jose R. Rodriguez	A-2382331	Bacolor, Pampanga	1-18-74	1494-833-5
Benigno Ignacio	A-5229277	Makati, Rizal	1-10-74	3098-569-1
Arturo M. Ilagan	A-3619	Manila	1- 7-74	1588-033-9
Romeo C. Recto	A-7937256	Pasig, Rizal	3-1-74	1529-593-4

CERTIFIED TRUE COPY
Page 2 of 14 pages



Name	A/C No.	Issued At	On	Valid
Romero, Rodrigo	A-43-2807	Manila	3-31-74	3574-195-0
Ramos, Juan	A-502709	Manila	1-16-74	2431-259-3
Edmundo V. Gonzalez	A-785136	Baguio	Campaign 5-10-74	3402-833-5
Rodriguez, Juan	A-106530	Manila	1-9-74	2440-660-8
Ramos, Juan	A-502740	Manila	1-16-74	2433-350-2
Jose Macias Reyes	A-522083	Makati	1-10-74	1752-416-5
Eligio C. Rodriguez	A-785105	Baguio	Campaign 4-18-74	3236-415-9

all persons whom are known to me and who are known to me to be the same
persons whose names are subscribed to and who executed the
foregoing Articles of Incorporation and acknowledged to
me that they executed the same as an act of their free will
and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and
affixed my notarial seal at the City of Manila, this 22nd
day of December, 1974.

SALVADOR ALTOMAN
Notary Public
Doc. No. 22
Page No. 5
Book No. IV
Series of 1974

CERTIFIED TRUE COPY
from 13 of 14 pages

TREASURER'S AFFIDAVIT

REPUBLIC OF THE PHILIPPINES)
: S.S.
CITY OF MANILA)

I, ANTONIO M. UMALI, being first duly sworn, deposes and says:

That he was duly elected by the subscribers named in the foregoing Articles of Incorporation as Treasurer of the Corporation to act as such until his successor has been elected and qualified in accordance with the By-Laws of the Corporation, and that as such Treasurer he has been authorized by the subscribers to receive for the Corporation full subscriptions paid in by subscribers for the capital stock FIVE BILLION (₱5,000,000,000.00) PESOS worth of shares that has been actually subscribed, and that of said subscription, ONE MILLION TWO HUNDRED FIFTY THOUSAND (₱1,250,000.00) PESOS has been actually transferred to him in trust and received by him in cash for the benefit and to the credit of the corporation, and that at least twenty percentum (20%) of the entire number of authorized shares of capital stock has been subscribed and at least twenty five percentum (25%) of the subscription has been actually transferred to him aforesaid, in trust and received by him in cash for the benefit and to the credit of the Corporation.

ANTONIO M. UMALI
Affiant

SUBSCRIBED AND SWORN to before me this 10th day of December, 1974, affiant exhibiting to me his Res. Cert. No. 4-3619 issued at Manila on January 2, 1974.

SALVADOR VALDEZ
Notary Public
Until December 31, 1975
PTR-207823
A-17-74 Manila

Book No. XVII
Page No. 44
Doc. No. 23
Series of 1974

CERTIFIED TRUE COPY
SEP 23

INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS

ALSONS CONSOLIDATED RESOURCES, INC.

INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS

Alsons Consolidated Resources, Inc. (the "Company" or "Corporation") has two (2) classes of shares: common and preferred shares.

COMMON SHARES

Each common share is equal in all respects to every other common share. Each common shareholder shall enjoy the following rights pursuant to the Company's Articles of Incorporation and By-Laws:

Right to Stock Certificates

Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the corporation.

Right to Notice of Meeting

Each security holder entitled to notice for regular or special meetings of stockholders which may be given either by posting the same enclosed in a postage prepaid envelope at the address left by such stockholder with the corporate secretary or at his last known post-office address, or by delivering the same to him in person or by messengerial service at least seven (7) days before the date set for such meeting.

Voting Rights

At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. All proxies must be in the hands of the Secretary at least five (5) days before the time set for the meeting. No proxy in favor of a third person who is not a bona fide registered stockholder of the Company and no proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the Meeting.

Right to be Elected as a Director

Any registered stockholder may be nominated and elected to the Board of Directors. The Board of Directors, by majority vote, shall pass upon the qualification of the nominee to the Board. It may also, in the exercise of its discretion and by majority vote of its members, disqualify a nominated shareholder who, in the Board's judgment, represents an interest adverse to or in conflict with those of the Corporation.

Right to Dividend

Each holder of a common share is entitled to dividends which shall be declared and paid out of the unrestricted retained earnings and which shall be payable in cash, property or

stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

Cash dividends are subject to approval by the Board of Directors. Stock dividends comprising of additional unissued shares of stock of the Company shall be subject to the approval of the Board of Directors and stockholders.

PREFERRED SHARES

Each shareholder holding preferred shares shall enjoy the following rights pursuant to the Company's Articles of Incorporation and By-Laws:

Issuance/Transfer of Preferred Shares

Preferred shares may only be issued or transferred to Filipino citizens, or corporations or associations at least 60% of whose capital is owned by Filipino citizens.

Right to Dividend

Holders of the preferred shares shall be entitled to receive out of the unrestricted retained earnings of the Corporation, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares. Holders of the preferred shares shall not be entitled to participate with holders of the common shares in any further dividends payable by the Corporation.

Redemption

The Corporation may, by resolution of its Board of Directors, redeem the preferred shares at par value.

The Corporation will redeem the preferred shares at par value (i) when the foreign equity limits to which the Corporation is subject to shall have been removed; and (ii) the Corporation is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least 60% of whose capital is owned by Filipino citizens that would otherwise require the Corporation to maintain the ownership of the preferred shares by such Filipino citizens.

The preferred shares when redeemed will not be retired, and may be reissued upon resolution by the Board of Directors.

Preference in Liquidation

In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, of the Company, except in connection with a merger or consolidation, holders of the preferred shares shall be entitled to be paid in full, or pro rata insofar as the assets and properties of the Corporation will permit, the par value of each preferred shares before any distribution shall be made to holders of the common shares, and shall not be entitled to any other distribution. Thereafter, the holders of common shares shall be entitled to be paid in full, or pro rata insofar as any remaining assets and properties of the Company will permit, the par value of each common shares.

After the distributions pursuant to the above paragraph shall have been made, the remaining assets and properties of the corporation shall be distributed pro rata to the holders of common shares.

That no stockholder shall because of his ownership of stock, have a pre-emptive or other right or other right to purchase for or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Company, whether from the unissued authorized capital stock or any future increase thereof. Any part or such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Company pursuant to resolution of its Board of Directors, to such persons and upon such terms as such Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.

Apart from the Company's Articles of Incorporation and By-laws, there are no other instruments defining the rights of holders of the equity being registered.

LEGAL OPINION

MARTINEZ VERGARA GONZALEZ & SERRANO

33rd Floor, The Orient Square
F. Ortigas, Jr. Road, Ortigas Center
1600 Pasig City, Metro Manila
Philippines

Telephone : +63 2 687 1195
Facsimile : +63 2 687 1197
www.mvgslaw.com

December 14, 2016

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director
Markets and Securities Regulation Department

Re: Alsons Consolidated Resources, Inc.
Issuance of Commercial Paper up to
Php2,500,000,000.00

Gentlemen:

We have acted as independent legal counsel to **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Company") in connection with the registration of a commercial paper program for the issuance of commercial paper in the aggregate principal amount of up to Two Billion Five Hundred Million Pesos (2,500,000,000.00) (the "CP") filed with the Securities and Exchange Commission (the "Commission") on December 14, 2016. Whenever used herein, unless the context otherwise requires - or unless otherwise defined herein, terms defined in the Registration Statement filed with the Commission (the "Registration Statement") and the Prospectus dated as of October 21, 2016, as amended (the "Prospectus"), have the same meanings here.

For purposes of this opinion, we have reviewed the existing laws, rules and regulations of the Republic of the Philippines relating to the registration and licensing of securities and other legislation, rules and regulations material and pertinent to the offer of the CPs. We have also examined and/or relied on the originals or copies, photocopies, certified or otherwise, of the following:

(a) A copy of the Registration Statement and Prospectus for the CPs;

(b) Articles of Incorporation and By-Laws of the Company, originally registered, together with all amendments thereto;

(c) Licenses/permits from, and registrations and required filings of the Company with and/or submissions to relevant government agencies which were provided to us by the Company; and

(d) Certifications/representations of the Company.

We have based our opinion expressed herein on the documents provided to us by the Company and we do not assume any responsibility for any documents, which we have not examined, nor for any matter which we have not been provided or have not been disclosed to us.

In giving this opinion, we have assumed in relation to the documents referred to above:

(1) The genuineness of all signatures, initials and/or seals on all documents supplied to us;

(2) The authenticity and completeness of all documents submitted to us as originals;

(3) The conformity to original documents and the completeness of all documents submitted to us as certified copies or photocopies and the authenticity of the originals where certified copies or photocopies have been submitted (and in each case, those in facsimile);

(4) That the representations and certifications of the officers of the Company are duly authorized, correct and complete;

(5) That no other laws would affect the opinions stated herein but that, insofar as the laws of any jurisdiction other than the Philippines may be relevant, such laws have been complied with; and

(6) That no material documents have been withheld from us whether deliberately or inadvertently, but nothing has come to our attention which leads us to believe, or to give us reasonable grounds to believe that any such documents have been withheld.

As to questions of fact material to our conclusions expressed herein, we have relied upon statements of fact contained in the documents we have examined and on certificates or representations of officers and other representatives of the Company. We have no reason to believe that such reliance is not justified.

This legal opinion is confined to and given on the basis of the laws of the Philippines at the date hereof and as currently applied by the courts of the Philippines. We have not investigated and we do not express or imply any opinion on the laws of any other jurisdiction. This opinion is governed by and will be construed in accordance with the laws of the Philippines. We have made no investigation of, and do not express or imply any view on, the laws of any jurisdiction other than the Republic of the Philippines.

Based upon the foregoing and subject to the limitations and assumptions set forth herein and assuming that there has been no material change of any kind in the contents of the Registration Statement/Prospectus or the Ancillary Agreements supplied to us and described above between the date of the same and the date hereof, we are of the opinion that:

(1) The Company is a corporation duly organized and validly existing under and by virtue of the laws of the Republic of the Philippines, and has the requisite corporate authority to carry on the business which it now conducts, to own the properties which it now owns, and to execute, deliver and perform the obligations expressed to be performed in the agreements relating to the offering and sale of the CPs and to which the Company is a party.

(2) The obligations expressed to be assumed by the Company pursuant to the CPs constitute its legal, valid and binding obligations, enforceable in accordance with the terms thereof.

(3) To the best of our knowledge and information as of the date hereof, the Prospectus contains such disclosures required and deemed by the Commission as necessary for the protection of public interest. The information contained in the Prospectus has been supplied by the Company which accepts full responsibility for the accuracy of the information contained therein, and has confirmed that the disclosures therein are not intended to defraud potential purchasers or investors of the CPs and that there are no facts the omission of which would make any of the statements in the Prospectus misleading.

(4) The Company is not prohibited under its articles of incorporation, by-laws and other constitutive documents to offer the CPs to the public, and to the best of our knowledge and information, there are no preferences, priorities or consents required from any stockholder or creditor, which may be violated by the offer of the CPs.

(5) To the best of our knowledge and information, there are no material suits, proceedings and litigation by or against the Company as of the date hereof, except such litigation disclosed in the Registration Statement and the Prospectus.

(6) The description in the Registration Statement and the Prospectus of the CPs, and of the statutes and legal and governmental proceedings in the Republic of the Philippines, insofar as such descriptions constitute summaries of such statutes and legal and governmental proceedings, are accurate in all material respects and fairly represent the information summarized therein.

Taxation of Interest on the Commercial Paper

Payments of interest to Philippine holders of the CP shall be subject to 20% final withholding tax required to be deducted and withheld from such interest payments. Under Section 24(B) of the National Internal Revenue Code of 1997, as amended ("1997 Tax Code"), a final tax at the rate of 20% is imposed on the amount of interest and yield or other monetary benefit earned from deposit substitutes.

Under Section 22 (Y) of the 1997 Tax Code, "deposit substitutes" shall mean an alternative form of obtaining funds from the public (the term "public" means borrowing from 20 or more individual or corporate lenders at any one time) other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrowers own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer. These instruments may include, but need not be limited to, banker's acceptances, promissory notes, repurchase agreements, including reverse repurchase agreements entered into by and between the Bangko Sentral ng Pilipinas and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse: Provided, however, that debt instruments issued for inter-bank call loans with maturity of not more than 5 days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.

Documentary Stamp Taxes

Under Section 197 of the 1997 Tax Code, documentary stamp tax is imposed on the issuance of the CP at the rate of One Peso (Php1.00) on each Two Hundred Pesos (Php200.00), or fractional part thereof, of the issue price for such debt instruments. Provided, however, that for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days.

Under this section, the term "debt instrument" shall mean instruments representing borrowing and lending transactions including but not limited to debentures, certificates of indebtedness, due bills, bonds, loan agreements, including those signed abroad wherein the object of contract is located or used in the Philippines, instruments and securities issued by the government of any of its instrumentalities, deposit substitute debt instruments, certificates or other evidences of deposits that are either drawing interest significantly higher than the regular savings deposit taking into consideration the size of the deposit and the risks involved or drawing interest and having a specific maturity date, orders for payment of any sum of money otherwise than at sight or on demand, promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation.

Estate and Donor's Taxes

The transfer of the CPs, upon death of an individual to his or her heirs by way of succession, will be subject to estate taxes. The CP will form part of the total estate of the decedent, whether such investor was a citizen of the Philippines or a foreigner, regardless of residence at the time of death. Philippines estate taxes are at progressive rates of between 5% to 20%, if the net estate is more than ₱200,000.00.

Individual and corporate investors, whether or not citizens or residents of the Philippines, who transfer the CP by way of gift or donation are generally liable for donor's tax on the transfer. Donor's taxes are at progressive rates of between 2% to 15% net gifts given during the calendar year that exceed ₱100,000.00. Gifts given to a stranger (i.e., one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by blood within the fourth degree of relationship) are taxed at a flat rate of 30% of net gifts.

This opinion is subject to the following qualifications:

(a) The enforceability of the Company's obligations under contracts and other arrangements it has entered into is subject to general principles of equity. In applying such principles, a Philippine court might require that parties exercising any right act with reasonableness and fairness and observe good faith.

(b) Enforcement of the obligations of the Company may be limited or affected by bankruptcy, insolvency, liquidation, reorganization, moratorium and other laws of general application relating to or affecting the rights of creditors.

This opinion is addressed to the Commission in connection with the registration and licensing of the CPs. It may not be relied upon for any other purpose or by any other person, and may not be disclosed to any other person or quoted or referred to without our express prior written consent.

This opinion is given as of the date hereof, and we undertake no responsibility to update or notify the Commission of any change in the matters referred to herein arising after the date of this opinion.

Very truly yours,

Elmer B. Serrano

Phil Ivan A. Chan

SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc.
List of Subsidiaries

Subsidiaries	Nature of business	Place of Incorporation
Conal Holdings Corporation (CHC)	Investment holding	Makati, Philippines
Alsing Power Holdings, Inc. (APHI)	Investment holding	Makati, Philippines
Western Mindanao Power Corporation (WMPC)	Power generation	Makati, Philippines
Southern Philippines Power Corporation (SPPC)	Power generation	Makati, Philippines
Alto Power Management Corporation (APMC)	Management services	Makati, Philippines
APMC International Limited (AIL)	Management services	British Virgin Islands
Mapalad Power Corporation (MPC)	Power generation	Makati, Philippines
FGen Northern Power Corp. (FGNPC)	Power generation	Makati, Philippines
Alsons Renewable Energy Corporation (AREC)	Investment holding	Makati, Philippines
Siguil Hydro Power Corporation (Siguil)	Power generation	Makati, Philippines
Kalaong Power Corporation (Kalaong)	Power generation	Makati, Philippines
Alsons Thermal Energy Corporation (ATEC)	Power generation	Makati, Philippines
Sarangani Energy Corporation (Sarangani)	Power generation	Makati, Philippines
San Ramon Power, Inc. (SRPI)	Power generation	Makati, Philippines
Alsons Power International Limited (APIL)	Power generation	British Virgin Islands
Alsons Land Corporation (ALC)	Real estate	Makati, Philippines
MADE (Markets Developers), Inc.	Distribution	Makati, Philippines
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	Makati, Philippines
ACES Technical Services Corporation (ACES)	Management services	Makati, Philippines

NOTARIZED CURRICULUM VITAE OF OFFICERS AND DIRECTORS

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

TOMAS I. ALCANTARA
[Name]

Chairman & President
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 0 4 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 0 4 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 105-252-550.

Doc No. 62;
Page No. 14;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**TOMAS I. ALCANTARA**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	JULY 6, 1946
4.	Place of Birth	:	PASAY CITY
5.	Civil Status	:	SINGLE
6.	Name of Spouse	:	N/A
7.	Name of Children	:	N/A

8. Residence Address & Telephone No.

   (a) Present : 24B TWIN TOWER, AYALA AVENUE
   MAKATI CITY, PHILIPPINES

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   ALSONS BLDG., 2286 CHINO ROCES AVENUE,
   MAKATI CITY, PHILIPPINES
   Tel. No. 982-3000

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
B.S. ECONOMICS	ATENEO DE MANILA UNIVERSITY	1966
MASTER IN BUSINESS ADMINISTRATION	COLUMBIA UNIVERSITY, NEW YORK, USA	1970
ADVANCE MANAGEMENT PROGRAM	HARVARD BUSINESS SCHOOL, BOSTON MASSACHUSSETTES	1983

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	CHAIRMAN & PRESIDENT	AUGUST 2001

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER

Alsons Aquaculture Corp.	Chairman & President	Stockholder
Aces Technical Services Corp.	Chairman & President	Stockholder
ACIL Corporation	Chairman & President	Stockholder
ACR Mining Corporation	President	Stockholder
Alsons Energy Dev. Corp.	Chairman & President	Stockholder
Alsons Insurance Brokers Corp.	Chairman & President	Stockholder
Alabel Sa Lipa Farms, Inc.	Chairman & President	Stockholder
Alsons Land Corporation	Chairman & President	Stockholder
Alsons Corporation	Chairman & President	Stockholder
Alcor Transport Corporation	Chairman & President	Stockholder
Alsons Dev. & Investment Corp.	Chairman & President	Stockholder
Alsons Security Co., Inc.	Chairman	Stockholder
Alsing Power Holdings, Inc.	Chairman & President	Stockholder
Alto Power Management Corp.	Chairman & President	Stockholder
Alsons Properties Corporation	Chairman & President	Stockholder
Alsons Power Holdings Corp.	Chairman & President	Stockholder
Aquasur Resources Corp.	Chairman	Stockholder
Alsons Renewable Energy Corp.	Chairman & President	Stockholder
Alabel Solar Energy Corp.	Director	Stockholder
Alsons Thermal Energy Corp.	Chairman & President	Stockholder
Buayan Cattle Co., Inc.	Chairman & President	Stockholder
Bulacnin Agri Farms, Inc.	Chairman & President	Stockholder
Casa Sonoma Agri. Farms, Inc.	Chairman & President	Stockholder
Conal Holdings Corporation	Chairman & President	Stockholder
Celestial Holdings, Inc	Chairman & President	Stockholder
Colina de Conrado Farms, Inc.	Chairman & President	Stockholder
Conal Corporation	President	Stockholder
Davao Industrial Plantation Inc.	Chairman & President	Stockholder
Eagle Ridge Golf&Country Club,Inc.	Chairman	Stockholder
Felicidad Holdings, Inc.	Chairman & President	Stockholder
Finfish Hatcheries, Inc.	Chairman & President	Stockholder
Kamanga Agro-Indl Ecozone Dev.Corp	Chairman & President	Stockholder
Lima Agri Farms, Inc.	Chairman & President	Stockholder
MADE (Market Developers), Inc.	Chairman & President	Stockholder
Mapalad Holdings, Inc.	Chairman & President	Stockholder
Mapalad Power Corporation	Chairman	Stockholder
Sarangani Agricultural Co., Inc.	Chairman & President	Stockholder
Sarangani Energy Corporation	Chairman & President	Stockholder
Sunfoods Agri. Ventures, Inc.	Chairman & President	Stockholder
Sarangani Cattle Co., Inc.	Chairman & President	Stockholder
Seawood Holdings, Inc.	Chairman & President	Stockholder
Southern Philippines Power Corp.	Chairman & President	Stockholder
San Ramon Power Inc.	Chairman & President	Stockholder
Trusto Corporation	Chairman & President	Stockholder
Western Mindanao Power Corp.	Chairman & President	Stockholder

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	CHAIRMAN & PRESIDENT	AUGUST 2001

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle): N/A

20. Taxpayer's Identification Number (TIN) : N/A

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, NICASIO INQUIMBOY	BROTHER
ALCANTARA, FELICISIMO INQUIMBOY	BROTHER
ALCANTARA, EDITHA INQUIMBOY	SISTER
DOMINGUEZ, ROSVIDA ALCANTARA	SISTER
ALCANTARA, ALEJANDRO	BROTHER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, MILAGROS HERNANDEZ	SISTER-IN-LAW
ALCANTARA, EVELYN CAMUS	SISTER-IN-LAW
ALCANTARA ROSE ELAINE BARCIA	SISTER-IN-LAW
DOMINGUEZ, PAUL GARCIA	BROTHER-IN-LAW

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - N/A

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / No

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

EDITHA I. ALCANTARA
[Name]

Director, Treasurer
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 07 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 07 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me her Tax Identification No. 101-533-701.

Doc No. 65;
Page No. 14;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5530716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**EDITHA I. ALCANTARA**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	SEPTEMBER 16, 1948
4.	Place of Birth	:	PASAY CITY
5.	Civil Status	:	SINGLE
6.	Name of Spouse	:	N/A
7.	Name of Children	:	N/A

8. Residence Address & Telephone No.

   (a) Present: NO. 3 TAMARIND ROAD, FORBES PARK, MAKATI CITY, PHILIPPINES

   (b) Past fifteen (15) years: SAME

9. Business Address & Telephone No.:
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES
   Tel. No. 982-3000

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
AB-BUSINESS ADMINISTRATION	MARYKNOLL COLLEGE	1968
MASTERS IN BUSINESS ADMINISTRATION	BOSTON COLLEGE, MASSACHUSSETTES, USA	1970

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	TREASURER, DIRECTOR	SINCE MARCH 1995

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Alsons Aquaculture Corp.	Director, Treasurer	Stockholder
Aces Technical Services Corp.	Director, Treasurer	Stockholder
ACIL Corporation	VP-Treasurer	Stockholder
ACR Mining Corporation	Director, Treasurer	Stockholder
Alsons Energy Dev. Corp.	Director, Treasurer	Stockholder
Alsons Insurance Brokers Corp.	EVP - Treasurer	Stockholder
Alsons Land Corporation	Director, Treasurer	Stockholder
Alsons Corporation	Director, Treasurer	Stockholder
Alsons Dev. & Investment Corp.	Director, Treasurer	Stockholder
Alsing Power Holdings, Inc.	Director, Treasurer	Stockholder

Alto Power Management Corp.	Director, Treasurer	Stockholder
Alsons Properties Corporation	Director, Treasurer	Stockholder
Alsons Power Holdings Corp.	Director, Treasurer	Stockholder
Aquasur Resources Corp.	Director, Treasurer	Stockholder
Alabel Solar Energy Corp.	Director, Treasurer	Stockholder
Alsons Thermal Energy Corp.	Director, Treasurer	Stockholder
Conal Holdings Corporation	Director, Treasurer	Stockholder
Conal Corporation	VP-Treasurer	Stockholder
Edicon Corporation	Chairman & President	Stockholder
Eagle Ridge Golf&Country Club,Inc.	Director, Treasurer	Stockholder
Finfish Hatcheries, Inc.	Director, Treasurer	Stockholder
Kamanga Agro-Indl Ecozone Dev.Corp	Director, Treasurer	Stockholder
Mapalad Power Corporation	Director, Treasurer	Stockholder
Sarangani Agricultural Co., Inc.	Director, Treasurer	Stockholder
Sarangani Energy Corporation	Director, Treasurer	Stockholder
Sunfoods Agri. Ventures, Inc.	Director, Treasurer	Stockholder
Southern Philippines Power Corp.	Director, Treasurer	Stockholder
San Ramon Power Inc.	Director, Treasurer	Stockholder
Western Mindanao Power Corp.	Director, Treasurer	Stockholder

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	TREASURER, DIRECTOR	SINCE MARCH 1995

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle): N/A

20. Taxpayer's Identification Number (TIN) : N/A

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, NICASIO INQUIMBOY	BROTHER
ALCANTARA, FELICISIMO INQUIMBOY	BROTHER
ALCANTARA, TOMAS INQUIMBOY	BROTHER
DOMINGUEZ, ROSVIDA ALCANTARA	SISTER
ALCANTARA, ALEJANDRO	BROTHER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, MILAGROS HERNANDEZ	SISTER-IN-LAW
ALCANTARA, EVELYN CAMUS	SISTER-IN-LAW
ALCANTARA ROSE ELAINE BARCIA	SISTER-IN-LAW
DOMINGUEZ, PAUL GARCIA	BROTHER-IN-LAW

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - N/A

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

TIRSO G. SANTILLAN, JR.
[Name]

Executive Vice-President, Director
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 0 8 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 0 8 2016 at CITY OF MAKATI, METRO MANILA, affiant exhibiting to me his Tax Identification No. 134-840-919.

Doc No. 73;
Page No. 16
Book No. III
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**TIRSO G. SANTILLAN, JR.**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	FEBRUARY 12, 1944
4.	Place of Birth	:	MANILA
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	MILAGROS ABOLA SANTILLAN
7.	Name of Children	:	ANA REGINA MELISSA

8. Residence Address & Telephone No.

   (a) Present: 13 FIRST ST. ST. IGNATIUS VILLAGE
   QUEZON CITY

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   4TH FLR ALPHALAND SOUTHGATE TOWER
   2258 CHINO ROCES AVENUE COR. EDSA,
   MAKATI CITY, PHILIPPINES
   Tel. No. 823-7225

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
BACHELOR OF ARTS DEGREE IN ENGINEERING	ATENEO DE MANILA UNIVERSITY	1964
MASTERS IN BUSINESS MANAGEMENT	ATENEO DE MANILA UNIVERSITY	1966

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	EXECUTIVE VICE-PRESIDENT	APRIL 1995

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Aces Technical Services Corp.	Executive Vice-Pres.	Stockholder
ACR Mining Corporation	Director	Stockholder
Alsons Energy Dev. Corp.	Executive Vice-Pres.	Stockholder
Alsing Power Holdings, Inc.	Executive Vice-Pres.	Stockholder
Alto Power Management Corp.	Executive Vice-Pres.	Stockholder
Alsons Power Holdings Corp.	Executive Vice-Pres.	Stockholder
Alsons Renewable Energy Corp.	Executive Vice-Pres.	Stockholder
A/S Power Development, Inc.	Chairman & President	Stockholder
Alsons Thermal Energy Corp.	Executive Vice-Pres.	Stockholder
Conal Holdings Corporation	Executive Vice-Pres.	Stockholder

Conrado & Ladislawa Alcantara Foundation, Inc.	Trustee	
Kalaong Hydro Power Corporation	Chairman & President	Stockholder
Kamanga Agro-Indl Ecozone Dev.Corp	Executive Vice-Pres.	Stockholder
MADE (Market Developers), Inc.	Director	Stockholder
Mapalad Power Corporation	President	Stockholder
Sarangani Agricultural Co., Inc.	Director	Stockholder
Sarangani Energy Corporation	Executive Vice-Pres.	Stockholder
Siguil Hydro Power Corporation	Chairman & President	Stockholder
Southern Philippines Power Corp.	Executive Vice-Pres.	
San Ramon Power Inc.	Executive Vice-Pres.	Stockholder
Western Mindanao Power Corp.	Executive Vice-Pres.	

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

8. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
SANTILLAN, MILAGROS ABOLA

20. Taxpayer's Identification Number (TIN) : _____

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ANA REGINA A. SANTILLAN MELISSA A. SANTILLAN	DAUGHTER DAUGHTER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
N/A	

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - **N/A**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

ALEJANDRO I. ALCANTARA
[Name]

DIRECTOR
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

07 NOV 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 0 7 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 105-252-501.

Doc No. 67;
Page No. 15
Book No. III
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 01259; 06-01-1995, Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**ALEJANDRO I. ALCANTARA**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	SEPTEMBER 9, 1954
4.	Place of Birth	:	PASAY CITY
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	ROSE ELAINE BARCIA ALCANTARA
7.	Name of Children	:	ANTONIO MIGUEL PATRICIA ANN

8. Residence Address & Telephone No.

   (a) Present: NO. 9 BUKIDNON ST., PHASE 1, INSULAR VILLAGE, LANANG, DAVAO CITY

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   ALSONS BLDG., CHINO ROCES AVENUE
   MAKATI CITY, METRO MANILA, PHILIPPINES
   Tel. No. 982-3000

10. For Alien only

(a)	ACR No. & Date	:	N/A
(b)	Department of Labor and Employment Registration No. & Date	:	N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
B.S. ECONOMICS	ATENEO DE DAVAO	

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	DIRECTOR	JULY 2003

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Alsons Aquaculture Corp.	EVP	Stockholder
ACIL Corporation	Director	Stockholder
Alsons Insurance Brokers Corp.	Director	Stockholder
Alabel Sa Lipa Farms, Inc.	Director	Stockholder
Alsons Land Corporation	Director	Stockholder
Alsons Corporation	Director	Stockholder
Alcor Transport Corporation	EVP	Stockholder
Alsons Dev. & Investment Corp.	Director	Stockholder
Alecal Corporation	Chairman& President	Stockholder
Alsons Security Co., Inc.	President/GM	Stockholder
Alsons Properties Corporation	Director	Stockholder
Aquasur Resources Corp.	President	Stockholder
Alabel Solar Energy Corp.	Director	Stockholder
Buayan Cattle Co., Inc.	EVP	Stockholder

Bulacnin Agri Farms, Inc.	Director	Stockholder
Conal Corporation	Director	Stockholder
Davao Shelter Corporation	Director	Stockholder
Davao Industrial Plantation Inc.	EVP	Stockholder
Edicon Corporation	Director	Stockholder
Felicidad Holdings, Inc.	Director	Stockholder
Fial Corporation	Director	Stockholder
Finfish Hatcheries, Inc.	President	Stockholder
Lima Agri Farms, Inc.	Director	Stockholder
MADE (Market Developers), Inc.	Director	Stockholder
Niacor Corporation	Director	Stockholder
Roscal Corporation	Director	Stockholder
Sarangani Agricultural Co., Inc.	EVP	Stockholder
Samal Agricultural Dev. Corp.	Director	Stockholder
Sunfoods Agri. Ventures, Inc.	EVP	Stockholder
Sarangani Cattle Co., Inc.	Director	Stockholder
South Star Aviation Co., Inc.	Chairman	Stockholder
Trusto Corporation	Director	Stockholder

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	DIRECTOR	JULY 2003

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
ALCANTARA, ROSE ELAINE BARCIA

20. Taxpayer's Identification Number (TIN) : 116-960-463

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, ANTONIO MIGUEL BARCIA	SON
ALCANTARA, PATRICIA ANN BARCIA	DAUGHTER
ALCANTARA, NICASIO INQUIMBOY	BROTHER
ALCANTARA, FELICISIMO INQUIMBOY	BROTHER
ALCANTARA, TOMAS INQUIMBOY	BROTHER
ALCANTARA, EDITHA INQUIMBOY	SISTER
DOMINGUEZ, ROSVIDA ALCANTARA	SISTER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, MILAGROS HERNANDEZ	SISTER-IN-LAW
ALCANTARA, EVELYN CAMUS	SISTER-IN-LAW
DOMINGUEZ, PAUL GARCIA	BROTHER-IN-LAW

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - No

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

CONRADO C. ALCANTARA
[Name]

DIRECTOR
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 08 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 08 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 210-901-865.

Doc No. 71;
Page No. 16;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995, Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**CONRADO C. ALCANTARA**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	SEPTEMBER 24, 1973
4.	Place of Birth	:	DAVAO CITY
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	CARYANA VELASCO ALCANTARA
7.	Name of Children	:	CONRADO, JR. AMADINE

8. Residence Address & Telephone No.

   (a) Present : 58 MCKINLEY ROAD, UNIT 9
   FORBES PARK, MAKATI CITY

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   ALSONS BLDG., 2286 CHINO ROCES AVENUE
   MAKATI CITY, PHILIPPINES
   TEL. NO. 982-3000

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
POLITICAL SCIENCE	BOSTON UNIVERSITY	1996
POST BACCALAUREATE PROGRAM MANAGEMENT	HARVARD UNIVERSITY	1997

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
BROKERS ACCREDITATION PROGRAM	INSURANCE COMMISSION	1998

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	DIRECTOR	NOVEMBER 2010

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
ACIL CORPORATION	DIRECTOR	STOCKHOLDER
ALSONS AQUACULTURE CORP.	DIRECTOR	STOCKHOLDER
ALSONS LAND CORPORATION	DIRECTOR	STOCKHOLDER
CELESTIAL HOLDINGS, INC.	DIRECTOR	STOCKHOLDER
CENTRO RIDGE LAND, INC.	MANAGING DIRECTOR	STOCKHOLDER
G-3 VENTURES, INC.	DIRECTOR	STOCKHOLDER
MADE (MARKET DEVELOPERS, INC)	DIRECTOR	STOCKHOLDER

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	DIRECTOR	NOVEMBER 2010

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
PASTRO HOLDINGS, INC. INFINICOR, INC. TRIO INC. AMBERLOUNGE, INC. PASTO CAFE INC.	TREASURER TREASURER TREASURER TREASURER TREASURER	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
ALCANTARA, CARYANA VELASCO

20. Taxpayer's Identification Number (TIN) : 201-058-542

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ALCANTARA, CONRADO VELASCO ALCANTARA, AMADINE VELASCO	SON DAUGHTER

ALCANTARA, FELICISIMO INQUIMBOY ALCANTARA, EVELYN CAMUS ALCANTARA, MARCO CAMUS	FATHER MOTHER BROTHER

22. First Degree Relatives (of legal age only) - By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
VELASCO, ALBERT S.	FATHER-IN-LAW

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - **N/A**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

JACINTO C. GAVINO, JR.
[Name]

Independent Director
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

8 NOV 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 08 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 123-104-984.

Doc No. 74;
Page No. 16;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Mdg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	JACINTO C. GAVINO, JR.
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	APRIL 30, 1949
4.	Place of Birth	:	MANILA
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	MA. CYNTHIA JAVIER GAVINO
7.	Name of Children	:	JACINTO LAURO JOSE ANTONIO SARAH OLIVIA

8. Residence Address & Telephone No.

   (a) Present : 38 BUTTERFLY ST., VALLE VERDE VI, PASIG CITY

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   ASIAN INSTITUTE OF MANAGEMENT
   123 PASEO DE ROXAS, MAKATI CITY
   TEL. NO. 892-4011 LOCAL 2848

10. For Alien only

(a)	ACR No. & Date	:	N/A
(b)	Department of Labor and Employment Registration No. & Date	:	N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
BS ELECTRICAL ENGINEERING	UNIVERSITY OF THE PHILIPPINES, DILIMAN	1966-1971
MASTER IN BUSINESS ADMINISTRATION	ATENEO DE MANILA UNIVERSITY, Q.C.	1978-1983
DOCTOR IN PUBLIC ADMINISTRATION	UNIVERSITY OF THE PHILIPPINES, DILIMAN	1985-1993

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	MAY 2005

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Pfizer Foundation	Board of Trustees	
Lao Foundation	Board of Trustees	
Center of Family Ministries (CEFAM),	Board of Trustees	

Loyola School of Theology	Board of Trustees	
Fundacion Santiago	Board ~~Member~~ of Trustees	
Productronica Holdings, Inc.	Board Member	Stockholder
Aurotech Corporation	Board Member	Stockholder
Green Chemicals Corporation	Board Member	Stockholder
Sarangani Agricultural Co., Inc.	Board Member	Stockholder

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	MAY 2005

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
GAVINO, MA. CYNTHIA JAVIER

20. Taxpayer's Identification Number (TIN) : 160-241-527

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
GAVINO, JACINTO LAURO JAVIER	SON
GAVINO, JOSE ANTONIO JAVIER	SON
GAVINO, SARAH OLIVIA JAVIER	DAUGHTER
GAVINO, PACITA CRUZ	SISTER
GAVINO, BENJAMIN CRUZ	BROTHER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
JAVIER, RENATO PINEDA	BROTHER-IN-LAW

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? **No**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?
Yes / No

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

RAMON T. DIOKNO
[Name]

DIRECTOR
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 0 1 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 0 1 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 117-434-705.

Doc No. 64;
Page No. 14;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**RAMON T. DIOKNO**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	JULY 20, 1947
4.	Place of Birth	:	MANILA
5.	Civil Status	:	SINGLE
6.	Name of Spouse	:	N/A
7.	Name of Children	:	N/A

8. Residence Address & Telephone No.

   (a) Present : 113 AMAPOLA ST., BEL-AIR VILLAGE, MAKATI CITY, PHILIPPINES

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   20th FLOOR LEPANTO BLDG., PASEO DE ROXAS
   MAKATI CITY, PHILIPPINES

10. For Alien only

(a)	ACR No. & Date	:	N/A
(b)	Department of Labor and Employment Registration No. & Date	:	N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
ACCOUNTANCY DEGREE	DE LA SALLE UNIVERSITY	
MASTERS OF SCIENCE IN MANAGEMENT	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	1981

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	DIRECTOR	SINCE MARCH 2009

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
LEPANTO CONSOLIDATED MINING COMPANY	CHIEF FINANCE OFFICER	APRIL 01, 2008

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	CHIEF FINANCIAL OFFICER DIRECTOR	JAN 16 2001 TO JUN 30,2006 JUN 19, 2002 TO JUN 29, 2006

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle): N/A

20. Taxpayer's Identification Number (TIN) : N/A

21. First Degree Relatives (of legal age only) - By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
N/A	

22. First Degree Relatives (of legal age only) - By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
N/A	

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - N/A

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

THOMAS G. AQUINO
[Name]

INDEPENDENT DIRECTOR
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 08 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 08 2016 at _____ affiant exhibiting to me his Tax Identification No. 121-905-565.

Doc No. 70;
Page No. 15;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**THOMAS G. AQUINO**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	FEBRUARY 16, 1949
4.	Place of Birth	:	MANILA
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	MA. ELENA APIL GARCIA AQUINO
7.	Name of Children	:	MA. MONTSERPAT MA. ALTINA

8. Residence Address & Telephone No.

   (a) Present : 24 BARCELONA ST., MERVILLE PARK, PARANAQUE CITY

   (b) Past fifteen (35) years : SAME

9. Business Address & Telephone No.: N/A

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
BACHELOR OF ARTS IN ECONOMICS	UNIVERSITY OF THE PHILIPPINES	1970
MASTER OF SCIENCE IN INDUSTRIAL ECONOMICS	CENTER FOR RESEARCH & COMMUNICATION (NOW KNOWN AS UNIVERSITY OF ASIA AND THE PACIFIC)	1972
DOCTOR IN BUSINESS ADMINISTRATION	UNIVERSITY OF NAVARRE (SPAIN)	1980

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	MAY 2011

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
NOW CORPORATION A BROWN COMPANY	CHAIRMAN DIRECTOR	STOCKHOLDER STOCKHOLDER

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	SINCE MAY 2011

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):

AQUINO, MA. ELENA GARCIA

20. Taxpayer's Identification Number (TIN) : 121-905-565

21. First Degree Relatives (of legal age only) - By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
AQUINO, ANTONIO QUESADA	FATHER (DECEASED)
AQUINO, FELISA GUIDO	MOTHER (DECEASED)
AQUINO, MA. MONTSERPAT GARCIA	DAUGHTER
AQUINO, MA. ALTINA GARCIA	DAUGHTER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
GARCIA, MARIO CARREON APIL, RUTH MALUNDA	FATHER-IN-LAW(DECEASED) MOTHER-IN-LAW (DECEASED)

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - **N/A**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

ROBERTO V. SAN JOSE
[Name]

CORPORATE SECRETARY
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 0 4 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 0 4 2016 affiant exhibiting to me his Tax Identification No. 126-470-483.

CITY OF MAKATI, METRO MANILA

Doc No. 63;
Page No. 14;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	Roberto V. San Jose
2.	Citizenship	:	Filipino
3.	Date of Birth	:	November 7, 1941
4.	Place of Birth	:	Manila
5.	Civil Status	:	Married
6.	Name of Spouse	:	Leilani P. San Jose
7.	Name of Children	:	Margarita P. San Jose Milagros Sarah P. San Jose Monica Raissa S.J. Realica Ma. Elena P. San Jose
8.	Residence Address & Telephone No.		
	(a) Present	:	900 San Vicente St. Ayala Alabang Village Muntinlupa City
	(b) Past fifteen (15) years	:	730 Pablo Ocampo St. Malate , Manila Tel. #523-8546
9.	Business Address & Telephone No.	:	Castillo Laman Tan Pantaleon & San Jose 3/F Valero Tower 122 Valero St., Salcedo Vill. Makati City Tel. #817-6791
10.	For Alien only		
	(a) ACR No. & Date	:	
	(b) Department of Labor and Employment Registration No. & Date	:	

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
A.B. LL.B.	De La Salle University University of the Phils.	1962 1966

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
None		

III. WORK EXPERIENCE

13. Present Position - This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	Corporate Secretary	June 1991

14. Present Positions (including corporate directorship) - Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Castillo Laman Tan Pantaleon & San Jose	Consultant	Consultant
RVSJ, Inc.	President/Director	Stockholder
White Elephants, Inc.	President/Director	Stockholder

Mabuhay Holdings Corp.	Chairman	nominal stockholder
Anglo Philippine Holdings Corporation	Director/Corp. Sec.	- do -
CP Group of Companies	Director/Corp. Sec.	- do -
ISM Communications Corp.	Director	- do -
Various client corporations of CLTPSJ Law Firm	Director, Corp. Sec. or other officer	-do -

15. Present Position (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
None		

16. Past Position - This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	Corporate Secretary	June 1991

17. Past Position (including corporate directorship) - Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
Castillo Laman Tan Pantaleon & San Jose	Partner	1995 - 2006
- do -	Consultant	2006 - present

Various client corporations of CLTPSJ Law Firm	Director, Corporate Sec., or other officer	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
None		

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle) : San Jose, Leilani Perez

20. Taxpayer's Identification Number (TIN) : N/A

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
San Jose, Margarita Perez	Daughter
San Jose, Milagros Sarah Perez	"
Realica, Monica Raissa San Jose	"
San Jose, Ma. Elena Perez	"

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
Realica, Mark Ochoa	Son-in-law
Jensen, Asger Heine	"
Wycoco, Voltaire Cajanding	"

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
White Elephants, Inc.	Director

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?
Yes / No

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	COURT OF JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

25. Schedule of Business Establishments Where the Director/Officer, Spouse and First Degree Relatives Have Equity Interest at Year-End _____.

NAME OF CORPORATION / ASSOCIATION / FIRM	NAME OF PERTINENT STOCK-PERCENT HOLDING	PERCENT TO TOTAL EQUITY
Various client corporations		Nominal stockholdings to qualify as Director
Stock Market Investments		Insignificant

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

- NOTHING FOLLOWS -

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

ANGEL M. ESGUERRA, III
[Name]

ASSISTANT CORPORATE SECRETARY
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 04 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 04 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 121-413-569.

Doc No. 59;
Page No. 13;
Book No. LXI;
Series of 2016.

IRENEO U. GACAD, JR.
Commission No. M-154
Notary Public for Makati City
Until December 31, 2017
Roll No. 22596
IBP No. 101019; 11-16-2015; Manila 1 Chapter
PTR No. 5330008;01-07-2016; Makati City
Unit 304 Guadalupe Commercial Complex
Guadalupe Nuevo, Makati City

I. PERSONAL

1.	Name	:	**ANGEL M. ESGUERRA, III**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	AUGUST 30, 1961
4.	Place of Birth	:	MANILA
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	ROSEMARIE ROSALES RIBO ESGUERRA
7.	Name of Children	:	RAISSA ANGELA ANGEL IV JOSHUA ANDREI

8. Residence Address & Telephone No.

   (a) Present : 52 DONA INES, ALABANG HILLS VILLAGE, MUNTINLUPA CITY, PHILIPPINES

   (b) Past fifteen (15) years : UNTIL JANUARY 2008, 23 DAMIAN ST., BF HOMES LAS PINAS CITY, PHILIPPINES

9. Business Address & Telephone No.:
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES
   Tel. No. 982-3000

10. For Alien only

(a)	ACR No. & Date	:	N/A
(b)	Department of Labor and Employment Registration No. & Date	:	N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
BACHELOR OF ARTS DEGREEE IN ECONOMICS	UNIVERSITY OF THE PHILIPPINES	
LAW DEGREE	UNIVERSITY OF THE PHILIPPINES	
ORIENTATION IN U.S. LAW	UNIVERSITY OF CALIFORNIA, DAVIS	

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	ASSISTANT CORPORATE SECRETARY	AUGUST 2010

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Alsons Aquaculture Corp.	Corporate Secretary	N/A
Aces Technical Services Corp.	Corporate Secretary	N/A
ACIL Corporation	Corporate Secretary	N/A

ACR Mining Corporation	Corporate Secretary	N/A
Alsons Energy Dev. Corp.	Corporate Secretary	N/A
AG Protective Services, Inc.	Corporate Secretary	N/A
Alsons Insurance Brokers Corp.	Corporate Secretary	N/A
Alabel Sa Lipa Farms Inc.	Corporate Secretary	N/A
Alsons Land Corporation	Corporate Secretary	N/A
Alsons Corporation	Corporate Secretary	N/A
Alcor Transport Corporation	Corporate Secretary	N/A
Alsons Dev. & Investment Corp.	Corporate Secretary	N/A
Alecal Corporation	Corporate Secretary	N/A
Alsons Security Co., Inc.	Corporate Secretary	N/A
Alsing Power Holdings, Inc.	Corporate Secretary	N/A
Alto Power Management Corp.	Corporate Secretary	N/A
Alsons Properties Corporation	Corporate Secretary	N/A
Alsons Power Holdings Corp.	Corporate Secretary	N/A
Aquasur Resources Corp.	Corporate Secretary	N/A
Alsons Realty Corporation	Corporate Secretary	N/A
Alsons Renewable Energy Corp.	Corporate Secretary	N/A
Alabel Solar Energy Corp.	Corporate Secretary	N/A
A/S Power Development Inc.	Corporate Secretary	N/A
Alsons Thermal Energy Corp.	Corporate Secretary	N/A
Buayan Cattle Co., Inc.	Corporate Secretary	N/A
Bulacnin Agri Farms Inc.	Corporate Secretary	N/A
Casa Sonoma Agri Farms Inc.	Corporate Secretary	N/A
Centro Ridge Land, Inc.	Corporate Secretary	N/A
Conal Holdings Corporation	Corporate Secretary	N/A
Celestial Holdings, Inc.	Corporate Secretary	N/A
Conrado & Ladislawa Alcantara Foundation Inc.	Corporate Secretary	N/A
Colina de Conrado Farms Inc.	Corporate Secretary	N/A
Conal Corporation	Corporate Secretary	N/A
Davao Shelter Corporation	Corporate Secretary	N/A
Davao Industrial Plantation Inc.	Corporate Secretary	N/A
Edicon Corporation	Corporate Secretary	N/A
Eagle Ridge Golf&Country Club Inc	Asst.Corp. Secretary	N/A
Felicidad Holdings, Inc.	Corporate Secretary	N/A
Fial Corporation	Corporate Secretary	N/A
Finfish Hatcheries, Inc.	Corporate Secretary	N/A
Kalaong Hydro Power Corporation	Corporate Secretary	N/A
Kamanga Agro-Indl Ecozone Dev.Corp.	Corporate Secretary	N/A
Lima Agri Farms Inc.	Corporate Secretary	N/A
MADE (Market Developers), Inc.	Corporate Secretary	N/A
Mapalad Holdings, Inc.	Corporate Secretary	N/A
Mapalad Power Corporation	Corporate Secretary	N/A
Niacor Corporation	Corporate Secretary	N/A
Prime Stock Transfer Services, Inc.	Corporate Secretary	N/A
Punta Properties Inc.	Corporate Secretary	N/A
Roscal Corporation	Corporate Secretary	N/A

Sarangani Agricultural Co., Inc.	Corporate Secretary	N/A
Samal Agricultural Dev. Corp.	Corporate Secretary	N/A
Sarangani Energy Corporation	Corporate Secretary	N/A
Sunfoods Agri. Ventures, Inc.	Corporate Secretary	N/A
Sarangani Cattle Co., Inc.	Corporate Secretary	N/A
Seawood Holdings Incorporated	Corporate Secretary	N/A
Siguil Hydro Power Corporation	Corporate Secretary	N/A
Southern Philippines Power Corp.	Corporate Secretary	N/A
San Ramon Power Inc.	Corporate Secretary	N/A
South Star Aviation Co., Inc.	Corporate Secretary	N/A
Trusto Corporation	Corporate Secretary	N/A
Western Mindanao Power Corp.	Corporate Secretary	N/A

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	ASSISTANT CORPORATE SECRETARY	SINCE AUGUST 2010

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
BATANGAS POWER CORP.	CORPORATE SECRETARY	12 YEARS
SUBIC POWER CORP.	CORPORATE SECRETARY	12 YEARS
PRISMA ENERGY PHILS. CORP.	CORPORATE SECRETARY	12 YEARS

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
ESGUERRA, ROSEMARIE RIBO

20. Taxpayer's Identification Number (TIN) : _____

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
ESGUERRA, RAISSA ANGELA RIBO	DAUGHTER
ESGUERRA, ANGEL IV RIBO	SON
ESGUERRA, JOSHUA ANDREI RIBO	SON
ESGUERRA, LOURDES M.	MOTHER

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
N/A	

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / **No**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

ALSONS CONSOLIDATED RESOURCES, INC.
Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

LUIS R. YMSON, JR.
[Name]

Chief Financial Officer
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

11/11/16
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 11 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 126-818-715.

Doc No. 95;
Page No. 16;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716,01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**LUIS R. YMSON, JR.**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	JANUARY 1, 1954
4.	Place of Birth	:	MANILA
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	MA. CRISTINA AGUAS YMSON
7.	Name of Children	:	RICHARD VICTOR MA. CARMINA

8. Residence Address & Telephone No.

   (a) Present : 49 KIRISHMA ST. BF HOMES, BRGY. BF INTERNATIONAL, LAS PINAS CITY

   (b) Past fifteen (15) years : SAME

9. Business Address & Telephone No.:
   ALSONS BLDG., 2286 CHINO ROCES AVENUE,
   MAKATI CITY, PHILIPPINES
   Tel. No. 982-3000

10. For Alien only

    (a) ACR No. & Date : N/A

    (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
B.S. INDUSTRIAL MANAGEMENT ENGINEERING	DE LA SALLE UNIVERSITY	1976
MASTERS IN BUSINESS ADMINISTRATION	DE LA SALLE UNIVERSITY	1982

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	CHIEF FINANCIAL OFFICER	JUNE 2006

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
Alsons Aquaculture Corp.	Chief Financial Officer	
Aces Technical Services Corp.	Chief Financial Officer	
ACIL Corporation	Chief Financial Officer	
ACR Mining Corporation	Chief Financial Officer	
Alsons Energy Dev. Corp.	Chief Financial Officer	
AG Protective Services, Inc.	Chief Financial Officer	
Alsons Insurance Brokers Corp.	Chief Financial Officer	

Alsons Land Corporation	Chief Financial Officer	
Alsons Corporation	Chief Financial Officer	
Alcor Transport Corporation	Chief Financial Officer	
Alsons Dev. & Investment Corp.	Chief Financial Officer	
Alecal Corporation	Chief Financial Officer	
Alsons Security Co., Inc.	Chief Financial Officer	
Alsing Power Holdings, Inc.	Chief Financial Officer	
Alto Power Management Corp.	Chief Financial Officer	
Alsons Properties Corporation	Chief Financial Officer	
Alsons Power Holdings Corp.	Chief Financial Officer	
Aquasur Resources Corp.	Chief Financial Officer	
Alsons Renewable Energy Corp.	Chief Financial Officer	
Alabel Solar Energy Corp.	Chief Financial Officer	
A/S Power Development Inc.	Treasurer & CFO	
Alsons Thermal Energy Corp.	Chief Financial Officer	
Buayan Cattle Co., Inc.	Chief Financial Officer	Stockholder
Centro Ridge Land, Inc.	Chief Financial Officer	
Conal Holdings Corporation	Chief Financial Officer	
Celestial Holdings, Inc.	Chief Financial Officer	
Conal Corporation	Chief Financial Officer	
Davao Shelter Corporation	Chief Financial Officer	
Davao Industrial Plantation Inc.	Chief Financial Officer	
Edicon Corporation	Chief Financial Officer	
Felicidad Holdings, Inc.	Chief Financial Officer	
Fial Corporation	Chief Financial Officer	
Finfish Hatcheries, Inc.	Chief Financial Officer	
Kalaong Hydro Power Corporation	Chief Financial Officer	
Kamanga Agro-Indl Ecozone Dev.Corp	Chief Financial Officer	Stockholder
MADE (Market Developers), Inc.	Chief Financial Officer	
Mapalad Holdings, Inc.	Chief Financial Officer	Stockholder
Mapalad Power Corporation	Chief Financial Officer	
Niacor Corporation	Chief Financial Officer	
Prime Stock Transfer Services, Inc.	Chairman & President	
Roscal Corporation	Chief Financial Officer	Stockholder
Sarangani Agricultural Co., Inc.	Chief Financial Officer	
Samal Agricultural Dev. Corp.	Chief Financial Officer	
Sarangani Energy Corporation	Chief Financial Officer	
Sunfoods Agri. Ventures, Inc.	Chief Financial Officer	
Sarangani Cattle Co., Inc.	Chief Financial Officer	
Siguil Hydro Power Corporation	Chief Financial Officer	
Southern Philippines Power Corp.	Chief Financial Officer	Stockholder
San Ramon Power Inc.	Chief Financial Officer	
South Star Aviation Co., Inc.	Chief Financial Officer	
Trusto Corporation	Chief Financial Officer	
Western Mindanao Power Corp.	Chief Financial Officer	

15. Present Positions (including directorship) - Government

22. First Degree Relatives (of legal age only) – By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
RIVERA, MARY ANN YMSON	SISTER
MUYCO MA. LUISA YMSON	SISTER
YMSON, JOSEPHINE RIVERA	SISTER
YMSON, EDWARD RIVERA	BROTHER
YMSON, JUAN CARLOS RIVERA	BROTHER
YMSON, MA. CRISTINA RIVERA	SISTER

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - No

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / No

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	CHIEF FINANCIAL OFFICER	JUNE 2006

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
	N/A	

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
YMSON, MA. CRISTINA AGUAS

20. Taxpayer's Identification Number (TIN) : 144-230-866

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP
YMSON, LUIS VITAN	FATHER (deceased)
YMSON, JOSEFA RIVERA	MOTHER
YMSON, RICHARD VICTOR AGUAS	SON
YMSON, MA. CARMINA AGUAS	DAUGHTER

ALSONS CONSOLIDATED RESOURCES, INC.

Alsons Building, 2286 Chino Roces Avenue, Makati City

Biographical Data

JOSE BEN R. LARAYA
[Name]

Independent Director
[Position]

I hereby certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.

NOV 18 2016
Date

Signature

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 18 2016 at CITY OF MAKATI, METRO MANILA affiant exhibiting to me his Tax Identification No. 137-981-006.

Doc No. 88;
Page No. 19;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

I. PERSONAL

1.	Name	:	**JOSE BEN R.LARAYA**
2.	Citizenship	:	FILIPINO
3.	Date of Birth	:	OCTOBER 23, 1939
4.	Place of Birth	:	BAGUIO CITY
5.	Civil Status	:	MARRIED
6.	Name of Spouse	:	NIEVA MARIE BAUA LARAYA
7.	Name of Children	:	FIDES MARIE L. CARLOS JOSE RIZALINO B. LARAYA MARIE ENCARNITA L. BERINA LYNNDA MARIE B. LARAYA MARIE LEOLA L. VITAL

8. Residence Address & Telephone No.

   (a) Present : 28 LA SALLE ST. NORTHEAST GREENHILLS SAN JUAN CITY

   (b) Past fifteen (15) years :

9. Business Address & Telephone No.:
   2901 A, 29th FLOOR, WEST TOWER,
   PHIL. STOCK EXCHANGE CENTRE
   ORTIGAS CENTER, PASIG CITY
   Tel. No. 634-9501 TO 02

10. For Alien only

   (a) ACR No. & Date : N/A

   (b) Department of Labor and Employment Registration No. & Date : N/A

II. EDUCATION AND TRAINING

11. College or University Education or Highest Educational Attainment, if not a degree holder.

DEGREE/COURSE	SCHOOL LAST ATTENDED	YEAR GRADUATED/ YEARS ATTENDED (if not graduated)
COMMERCE DEGREE	DE LA SALLE COLLEGE	1959
MASTER IN BUSINESS ADMINISTRATION	UNIVERSITY OF THE PHILIPPINES	1964
ADVANCED MANAGEMENT PROGRAM	HARVARD BUSINESS SCHOOL	1979

12. Training in Financial Management and Other Related Fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
	N/A	

III. WORK EXPERIENCE

13. Present Position – This Institution

NAME OF OFFICE	POSITION	DATE ASSUMED
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	SINCE MARCH 1995

14. Present Positions (including corporate directorship) – Other Private Institutions

NAME OF OFFICE	POSITION	INDICATE IF OWNER, PARTNER or STOCKHOLDER
ULTREX MANAGEMENT & INVESTMENTS CORP.	CHAIRMAN	STOCKHOLDER
LARAYA HOLDINGS, INC.	CHAIRMAN	STOCKHOLDER
TRULLY NATURAL FOOD CORP.	PRESIDENT	STOCKHOLDER

15. Present Positions (including directorship) - Government

NAME OF OFFICE	POSITION	INDICATE IF ELECTIVE or APPOINTIVE and PART TIME or FULL TIME
	N/A	

16. Past Position – This Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
ALSONS CONSOLIDATED RESOURCES, INC.	INDEPENDENT DIRECTOR	SINCE MARCH 1995

17. Past Position (including corporate directorship) – Other Private Institution (last 10 years)

NAME OF OFFICE	POSITION	DURATION
PHILCOM CORPORATION	VICE-CHAIRMAN	OCT 1996-FEB 1999
NATIONAL STEEL CORP.	PRESIDENT	SEPT 1980-FEB 1989
DOLE ASIA	PRESIDENT	FEB 1989-JUN 1992
APC GROUP, INC.	PRESIDENT	SEPT 1995-FEB 1999

18. Past Position (including directorship) - Government

NAME OF OFFICE	POSITION	DURATION
	N/A	

IV. FAMILY RELATIONS

19. Name of Spouse (Surname, Given, Middle):
LARAYA, NIEVA MARIE BAUA

20. Taxpayer's Identification Number (TIN) : 137-981-006

21. First Degree Relatives (of legal age only) – By consanguinity

NAME (Surname, Given, Middle)	RELATIONSHIP

LARAYA, JOSE M.	BROTHER
CUASAY, LOURDES LARAYA	SISTER
LARAYA, JOSE LUIS R.	BROTHER
LARAYA, JOSE SANTIAGOR .	BROTHER
LARAYA, LOURNA TERESITA	SISTER

22. First Degree Relatives (of legal age only) - By affinity

NAME (Surname, Given, Middle)	RELATIONSHIP
N/A	

23. Is your spouse an Officer/Director of corporations, associations or firms other than this Institution? Yes / No - **N/A**

If yes, please state:

CORPORATION/ASSOCIATION/FIRM	POSITION
N/A	

24. Have you ever been convicted judicially or administratively of an offense or judicially declared insolvent, spendthrift or incapacitate to contract?

Yes / **No**

If yes, please state:

PARTICULARS/ NATURE OF OFFENSE	JURISDICTION	DATE INFORMATION/ COMPLAINT/ PLEADING FILED
N/A		

Note: Please add other information you may wish to consider in this regard. Use additional sheet if necessary.

UNDERTAKING TO PAY THE REMAINING REGISTRATION FEES

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } S.S.

UNDERTAKING

The undersigned, both Filipinos, of legal age and with respective office address indicated below, after having been duly sworn in accordance with law, hereby certify that:

1. We are the incumbent Executive Vice President and Chief Financial Officer, respectively, of **ALSONS CONSOLIDATED RESOURCES, INC.** a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City (the "Corporation").

2. In connection with the Corporation's Registration Statement, to be filed with the Securities and Exchange Commission ("SEC"), in relation to its proposed issuance of registered commercial paper of up to Two Billion Five Hundred Million Pesos (₱ 2,500,000,000.00), to be issued in one or more tranches, we undertake, for and on behalf of the Corporation, to pay to the SEC the remaining registration fees for the subsequent tranches no later than thirty (30) business days prior to the expiry of the three (3) year period reckoned from the date of effectivity of the Registration Statement.

IN WITNESS WHEREOF, we have hereunto affixed our signatures, and the seal of the Corporation this 27 day of October 2016.

Tirso G. Santillan, Jr.
Executive Vice President
4/F, Alphaland Southgate Tower
2258 Chino Roces Avenue corner
EDSA, Makati City 1231

Luis R. Ymson, Jr
Chief Financial Officer
2/F, Alsons Building
2286 Chino Roces Avenue
Makati City 1231

SUBSCRIBED AND SWORN to before me this 27 day of October 2016 by the affiants who exhibited to me their Tax Identification, numbered as follows:

Name	TIN
Tirso G. Santillan, Jr.	134840919
Luis R. Ymson, Jr	126-818-715

Doc. No. 52;
Page No. 12;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787, 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

CONTINUING AUTHORITY TO ACCESS BANK ACCOUNTS

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 21, 2016

THE SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

Re: Authority to Examine Bank Accounts

Gentlemen:

ALSONS CONSOLIDATED RESOURCES, INC., with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City, Philippines (the "Company"), through the undersigned duly authorized officers of the Company, and in compliance with the requirements under Securities Regulation Code ("SRC"), Rule 12.1, in connection with the Registration Statement filed by the Company relating to the registration of Commercial Paper up to Two Billion Five Hundred Million Pesos (₱2,500,000,000.00), hereby authorizes the Securities and Exchange Commission and its duly authorized representatives ("SEC") to access, inspect and copy all of its bank accounts in the attached Annex "A".

The undersigned have been authorized by the Board of Directors of the Company, through the appropriate board resolutions, to issue this authorization to the SEC. This authorization shall be for all banks, domestic or foreign, wherein accounts are maintained and shall be continuous for as long as registration of the Company's Commercial Paper is effective.

The Company hereby absolves and renders harmless SEC and its duly authorized representatives from any and all complaints, causes of action and suits, civil or criminal that may be filed in relation to the issuance of this authorization and its exercise by the SEC of its duty.

Very truly yours,

Tirso G. Santillan, Jr.
Executive Vice President

Luis R. Ymson, Jr
Chief Financial Officer

ANNEX A

ALSONS CONSOLIDATED RESOURCES INC.
List of Bank Accounts

NAME OF BANKS	BRANCH	CURRENCY	SAVINGS ACCOUNT	CURRENT ACCOUNT
BANK OF THE PHILIPPINE ISLANDS	PASONG TAMO EXT.-EDSA	PESO	0091-0763-73	0091-0763-73
BANK OF THE PHILIPPINE ISLANDS	PASONG TAMO EXT.-EDSA	DOLLAR	0094-0618-73	NONE
BANCO DE ORO	PASONG TAMO EXTENSION	PESO	001450048089	001458012537
BANCO DE ORO	PASONG TAMO EXTENSION	DOLLAR	101450035742	NONE
METROPOLITAN BANK & TRUST CO.	PASONG TAMO EXTENSION	PESO	634-3-63406361-8	007-634-02065-5
UNION BANK OF THE PHILS.	PASAY ROAD BRANCH	PESO	02-903-000096-1	02-903-000096-1
UNITED COCONUT PLANTERS BANK	PASONG TAMO EXTENSION	PESO	201670004405	201670004405
UNITED COCONUT PLANTERS BANK	PASONG TAMO EXTENSION	DOLLAR	111670000400	NONE
DEVELOPMENT BANK OF THE PHILS.	DBP FINANCIAL CENTER	PESO	00-0-06345-405-4	00-0-06345-405-4
ROBINSONS BANK	PASONG TAMO EXTENSION	PESO	104230100000391	142-23-000015-0
ROBINSONS BANK	PASONG TAMO EXTENSION	DOLLAR	104250200000020	NONE
LANDBANK OF THE PHILIPPINES	PASEO BRANCH	DOLLAR	1804-0034-24	NONE

BOARD RESOLUTIONS:

(A) AUTHORIZING AN INDIVIDUAL TO SIGN THE REGISTRATION STATEMENT ("RS") AND

(B) APPROVING THE OFFERING OF THE SECURITIES AND AUTHORIZING THE FILING OF THE RS.

REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

SECRETARY'S CERTIFICATE

I, Roberto V. San Jose, Filipino, of legal age, being the duly appointed Corporate Secretary of Alsons Consolidated Resources, Inc., a Philippine corporation with principal address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila, Philippines (the "Corporation"), do hereby certify, based on the Company's official records, that:

1. At the Special Meeting of the Board of Directors of the Corporation held on October 13, 2016, at which a quorum was present, the following resolutions were approved and adopted and now are in full force and effect:

"RESOLVED, That ALSONS CONSOLIDATED RESOURCES, INC. (the "Corporation") be authorized to issue registered commercial paper of up to Two Billion Five Hundred Million Pesos (₱ 2,500,000,000.00) ("CPs") to be issued in one or more tranches, with an initial tranche of up to Five Hundred Million Pesos (₱ 500,000,000.00) to be issued in 2016;

RESOLVED, FURTHER, That the Corporation be authorized to apply for the registration and licensing of the CPs with the Securities and Exchange Commission ("SEC") and listing of the CPs with the Philippine Dealing and Exchange Corp. ("PDEx");

RESOLVED, FURTHER, That the Corporation be authorized to engage the services of (i) Multinational Investment Bancorporation as sole underwriter, (ii) Philippine Depository & Trust Corp. as registrar and paying agent, (iii) AB Capital and Investment Corporation – Trust and Investments Division as facility agent, (iv) Martinez Vergara Gonzalez & Serrano as independent legal counsel, and such other advisers and/or agents as may be necessary, proper or desirable to effect and implement the registration and licensing of the CPs with the SEC and listing with PDEx, and the offer for sale, to the public and investors within the Philippines, of the CPs, under such terms and conditions as management may deem to be fair and reasonable and in the best interest of the Corporation;

RESOLVED, FURTHER, That the Corporation be authorized to sign, execute and deliver any and all documents, contracts, agreements and instruments as may be required or necessary in connection with the registration and licensing of the CPs with the SEC, and the offer for sale to the public and listing of the CPs with PDEx;

CERTIFIED TRUE COPY OF
CORPORATE RECORDS
Page ____ of ____

ANGEL M. ESGUERRA, III
Asst. Corporate Secretary

RESOLVED, FINALLY, That any two (2) of the Chairman, the President, the Treasurer, the Executive Vice President, the Chief Financial Officer, or the Directors of the Corporation, or such other officers of the Corporation as any two (2) of them may designate in writing, be, as they are hereby, authorized to sign, execute and deliver, for and on behalf of the Corporation, the registration statement, all applications, registration forms, deeds, documents, contracts, agreements and instruments, and to perform such further acts and deeds as may be necessary, convenient or appropriate, to give force and effect to these resolutions."

2. The foregoing Board Resolutions have not been revoked, amended, or otherwise modified, and remain valid and binding on the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of October 2016 at Makati City, Metro Manila.

Roberto V. San Jose
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this 17th day of October, 2016 at Makati City, affiant having exhibited to me competent evidence of his identity consisting of his taxpayer's identification card Nº 126-470-483, issued by Bureau of Internal Revenue with his photograph and signature.

Doc. No. 393;
Page No. 80;
Book No. IV
Series of 2016

ERLAINE VANESSA D. LUMANOG
NOTARY PUBLIC
ROLL NO. 64921
MAKATI CITY, PHILS.

ERLAINE VANESSA D. LUMANOG
Notary Public
Appointment No. M-456
Notary Public – City of Makati
Until 31 December 2016
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 5321583 ;01-04-2016;Makati City
IBP No. 1015932;01-04-2016;PPLM Chapter
Roll No. 64921

Zap:Alsons Consolidated
[Sec.Cert-STCP BRs]

CERTIFIED TRUE COPY OF
CORPORATE RECORDS
Page ____ of ____

ANGELO M. ESGUERRA, III
Asst. Corporate Secretary

BOARD RESOLUTION APPROVING THE DISCLOSURES CONTAINED IN THE RS AND RESPONSIBILITY FOR THE INFORMATION CONTAINED THEREIN

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } S.S.

DIRECTORS' CERTIFICATE

We, the undersigned incumbent Directors and Corporate Secretary of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Bldg., 2286 Chino Roces Ave., Makati City after being sworn in accordance with law, hereby certify that:

1. At the duly constituted meeting of the Board of Directors of the Corporation held on October 13, 2016, at which a quorum was present, participated and acted throughout the duration of the meeting, the following resolutions were adopted and approved:

> "**RESOLVED, AS IT IS HEREBY RESOLVED,** that the Board of Directors of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Corporation") approve, confirm and ratify, as it hereby approves, confirms and ratifies, the disclosures contained in the Registration Statement and the Prospectus to be filed by the Corporation with the Securities and Exchange Commission in connection with the offering and registration of Commercial Paper up to Two Billion Five Hundred Million Pesos (Php2,500,000,000.00) to be divided and issued in three (3) tranches;
>
> **RESOLVED, FINALLY,** that the Board of Directors assume responsibility for all information contained in the Registration Statement and the Prospectus and any amendments or supplements thereto."

2. The foregoing resolutions are in full force and effect and have not been amended or rescinded in any way.

IN WITNESS WHEREOF, we have hereunto affixed our signature this October 13, 2016 in Makati City.

TOMAS I. ALCANTARA
President/Chairman

EDITHA I. ALCANTARA
Director/Treasurer

TIRSO G. SANTILLAN, JR.
Director/Executive Vice President

RAMON T. DIOKNO
Director

CONRADO C. ALCANTARA
Director

THOMAS G. AQUINO
Independent Director

JOSE BEN R. LARAYA
Independent Director

JACINTO C. GAVINO, JR.
Independent Director

ROBERTO V. SAN JOSE
Corporate Secretary

CERTIFIED TRUE COPY OF
CORPORATE RECORDS
Page ____ of ____

ANGEL M. ESGUERRA, III
Asst. Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13th day of October 2016 in Makati City, affiants exhibiting to me competent evidence of their identity consisting of their respective TINs as follows:

Name	Tax Identification No.
Tomas I. Alcantara	105252550
Editha I. Alcantara	101533701
Tirso G. Santillan, Jr.	134840919
Ramon T. Diokno	117434705
Conrado C. Alcantara	210901865
Thomas G. Aquino	121905565
Jose Ben R. Laraya	137981006
Jacinto C. Gavino, Jr.	123104984
Roberto V. San Jose	126470483

Doc. No. 33;
Page No. 8;
Book No. II;
Series of 2016.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
PHILIPPINES

ANGEL M. ESGUERRA III
Commission No. [illegible]
Notary Public for Makati City
Until December 31, [illegible]
Roll No. 34787
IBP No. [illegible]
PTR No. [illegible]
Adams Bldg., 2286 Chino Roces Avenue, Makati City

CERTIFIED TRUE COPY OF
CORPORATE RECORDS
Page ____ of ____

ANGEL M. ESGUERRA, III
Asst. Corporate Secretary

SECRETARY'S CERTIFICATE CERTIFYING THAT THE COMPANY HAS ADOPTED A RESOLUTION WITH RESPECT TO THE SUBMISSION OF A MANUAL OF CORPORATE GOVERNANCE WITH THE SEC & ADOPTION OF A FIT AND PROPER RULE

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SECRETARY'S CERTIFICATE

I, Roberto V. San Jose, Filipino, of legal age, being the duly appointed Corporate Secretary of Alsons Consolidated Resources, Inc., a Philippine corporation with principal address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila, Philippines (the "Corporation"), do hereby certify, based on the Company's official records, that:

1. The Corporation has adopted a Manual on Corporate Governance which provides for the Corporation's corporate governance rules and principles;

2. The Corporation has adopted a fit and proper rule for the selection of corporate directors and officers in accordance with the Securities Regulation Code and the Code of Corporate Governance issued by the Securities and Exchange Commission (the "SEC"); and

3. The Corporation authorizes and empowers the SEC to resolve conflicting issues regarding the selection of the Corporation's independent directors.

4. The foregoing are in accordance with the records of the Corporation presently in my custody and are in full force and effect and have not been amended or rescinded in any way.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October 2016 at Makati City, Metro Manila.

Roberto V. San Jose
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this __ day of OCT 24 2016, 2016 at Makati City, affiant having exhibited to me competent evidence of his identity consisting of his taxpayer's identification card No 126-470-483, issued by Bureau of Internal Revenue with his photograph and signature.

Doc. No. 441;
Page No. 90;
Book No. IV
Series of 2016

ERLAINE VANESSA D. LUMANOG
NOTARY PUBLIC
ROLL NO. 64921
MAKATI CITY, PHILS.

Notary Public
ERLAINE VANESSA D.LUMANOG
Appointment No. M-456
Notary Public – City of Makati
Until 31 December 2016
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 5321583 ;01-04-2016;Makati City
IBP No. 1015932;01-04-2016;PPLM Chapter
Roll No. 64921

CERTIFIED TRUE COPY OF
CORPORATE RECORDS
Page ____ of ____

ANGELA V. ESGUERRA
Asst. Corporate Secretary

CREDIT RATING REPORT BY AN INDEPENDENT CREDIT RATING AGENCY

PhilRatings
PHILIPPINE RATING SERVICES CORPORATION

October 14, 2016

HONORABLE TERESITA J. HERBOSA
Chairperson
Securities and Exchange Commission (SEC)
SEC Building, Epifanio de los Santos Ave.
Mandaluyong, Metro Manila

Dear Chairperson Herbosa:

We are pleased to inform you that Philippine Rating Services Corporation (PhilRatings) has assigned an Issuer Credit Rating of **PRS Aa minus (corp.)** for Alsons Consolidated Resources Inc. (ACR). This is in relation to its proposed Commercial Papers (CPs) in the amount of P500.0 million. ACR is offering CPs with an aggregate face value of up to P2,500,000,000.00 to be issued in multiple tranches (the CP Program). The First Tranche of the CP Program will have an aggregate face value of up to P500,000,000.00 while the succeeding tranche/s of the CP Program will be issued within three (3) years, under a shelf registration with the Securities and Exchange Commission (SEC). ACR intends to issue an amount of P1.0 billion in CPs in 2017 and another P1.0 billion in 2018. ACR, however, represented that it will only have a maximum amount of P1.0 billion in CPs outstanding beginning 2017 (i.e. ACR will only issue the P1.0 billion CPs in 2017 once the P500.0 million outstanding CPs have been settled). The same approach will be applied for the planned CPs in 2018. It should be noted likewise that PhilRatings' issuer credit rating of PRS Aa (minus), at present, is only for the P500.0 million proposed CPs that the company will issue for 2016 or 2017, after it obtains its permit to sell from the SEC. PhilRatings will subsequently rate ACR for P1.0 billion in CPs in 2017 and in 2018, according to ACR's proposed CP Program.

A Company rated "PRS Aa" differs from the highest rated corporates only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Philippine corporates. PhilRatings can also include a plus (+) or a minus (-) sign to further qualify the rating.

We have enclosed our credit rating report and have included our ratio computations based on SEC standards for your reference.

We shall continue to monitor developments in relation to ACR and update you of any corresponding changes in our rating.

Again, we wish to thank you for allowing us to be of continued service to the Commission in its objective to develop the Philippine capital market.

5/F Algo Center, 162 L.P. Leviste Street, Salcedo Village, 1203 Makati City, Philippines
Telephone Nos. (632) 812-3210; 812-3215; 812-3245 • Fax No. (632) 812-3234

Very truly yours,

ANGELICA B. VILORIA
Head, Credit Rating

cc: ATTY. EMMANUEL Y. ARTIZA
Office of the General Accountant

MR. VICENTE GRACIANO P. FELIZMENIO, JR.
Director - Markets and Securities Regulation Department

ENVIRONMENTAL COMPLIANCE CERTIFICATES:

A. SOUTHERN MINDANAO 200MW COAL FIRED POWER STATION OWNED BY CONAL HOLDINGS CORPORATION;

B. SOUTHERN MINDANAO 200MW COAL FIRED POWER STATION FROM CONAL HOLDINGS CORPORATION TO SARANGANI ENERGY CORPORATION;

C. 50MW BUNKER C FIRED POWER PLANT PROJECT OF SOUTHERN PHILIPPINES POWER CORP.;

D. 5.5MW BUNKER- C FIRED DIESEL GENERATING SET PROJECT OF SOUTHERN PHILIPPINES POWER CORP.;

E. 100MW DIESEL- FIRED POWER PLANT PROJECT OWNED BY WESTERN MINDANAO POWER CORP.;

F. ILIGAN DIESEL POWER PLANT 1 & 2 OWNED BY MAPALAD POWER CORP. FROM THE ECC REQUIREMENT.

Republic of the Philippines
Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU
DENR Compound, Visayas Avenue, Diliman, Quezon City 1116
Telephone Nos.: 927-15-17, 928-20-06
Email : emb@emb.gov.ph
Visit us at http://www.emb.gov.ph

OCT 18 2011

MR. TIRSO G. SANTILLAN
Chief Executive Officer
SARANGANI ENERGY CORPORATION
3rd Floor Solid House Building
2285 Chino Roces Avenue Extension
Makati City

Subject : **ECC Transfer of Ownership**
(ECC Reference No. 0901-011-4021)

Dear Sir:

This refers to the request for ECC transfer of ownership of **Southern Mindanao 200MW Coal Fired Power Station** from Conal Holdings Corporation to Sarangani Energy Corporation (SEC) with ECC Reference No. 0901-011-4021 issued on April 20, 2009.

Based on the documents submitted, your request is hereby approved.

All other conditions stated in the ECC shall remain in force unless amended/revoked in writing. Also, please accomplish and submit to this Office semi-annual ECC Compliance Monitoring Report of your project every January and July of each year as specified under Sec. 9.2 of DAO 30 Series of 2003.

We hope that we have guided you accordingly.

Very truly yours,

ATTY. JUAN MIGUEL T. CUNA
OIC, Director

O.R. No. 6190580E
Amount Paid: P300.00
Date: 19-26-2011

Protect the environment... Protect life...

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City 1116
Tel. Nos.: (632) 929-66-26 to 29 • (632)-929-65-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

APR 2 0 2009

ECC Ref. No. 0901-001-4021

Mr. Joseph C. Nocos
Vice President
CONAL HOLDINGS CORPORATION
3/F Solid House Building
2285 Chino Roces Extension
Makati City

SUBJECT: ENVIRONMENTAL COMPLIANCE CERTIFICATE

Dear Mr. Nocos:

This refers to the ECC application for the proposed Southern Mindanao 200MW$_{net}$ Coal Fired Power Station to be located at Brgy. Kamanga, Maasim Sarangani Province.

After satisfying the requirements in the said application and upon recommendation of the Environmental Management Bureau (EMB), this Department has decided to grant an ECC to the above-mentioned project.

With the issuance of this ECC, you are expected to implement the measures presented in the Environmental Impact Statement (EIS) and the Environmental Management and Monitoring Plan (EMMoP), 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.

Very truly yours,

JOSE L. ATIENZA, JR.
Secretary

cc: EMB – Region XII
LGU – Municipality of Maasim
LGU – Province of Sarangani
LGU – Brgy. Kamanga
DOE

Let's Go Green!

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City 1116
Tel. Nos.: (632) 929-66-26 to 29 • (632) 929-65-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

ENVIRONMENTAL COMPLIANCE CERTIFICATE

(Issued under Presidential Decree No. 1586)

ECC Ref. Code: 0901-001-4021

THIS IS TO CERTIFY THAT THE PROPONENT, **CONAL HOLDINGS CORPORATION** as represented by its Vice President, **Joseph C. Nocos**, is granted this Environmental Compliance Certificate (ECC) for the proposed **Southern Mindanao 200MW$_{net}$ Coal Fired Power Station Project** located in **Sitio Tampuan, Brgy. Kamanga Maasim, Sarangani Province** 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 Annex A and B.

This Certificate is issued with the following details:

PROJECT DESCRIPTION

The ECC covers 200MW$_{net}$ Coal Fired Power Station Project with an area of 55 hectares located in Sitio Tampuan, Brgy. Kamanga, Maasim, Sarangani

The proposed 200MW$_{net}$ Coal-Fired Power Station shall use the Circulating Fluidized Bed (CFB) Coal Technology with the following components:

- Steam generator plants with auxiliaries
- Electrostatic Precipitators
- Flue gas systems
- Ash handling, disposal and monitoring systems
- Steam turbine generator plants with auxiliaries
- Water/steam systems
- Main cooling water system with wet cooling tower
- Auxiliary cooling systems
- Chemical dosing and sampling systems
- Raw water, cooling water, and process water make-up system
- Sewage and wastewater treatment system
- Fuel oil system
- Diesel generator
- Auxiliary boiler plant
- Smoke stacks or chimneys
- Coal jetty with ship unloader
- Coal preparation, conveying and storage

This Certificate is issued pursuant to the provisions 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 (₱50,000.00) for every violation thereof. The EMB, however, is not precluded from reevaluating, adding, removing, and correcting any deficiencies or errors that may be found after issuance of this Certificate.

Issued at DENR, Quezon City, Philippines, this APR 2 0 2009.

Recommending Approval:

JULIAN D. AMADOR
Director

Approved by:

JOSE L. ATIENZA, JR.
Secretary

ENR-020029

STATEMENT OF ACCOUNTABILITY

I, *Mr. Joseph C. Nocos*, Vice President, representing Conal Holdings Corporation with office address located in 3/F Solid House Building 2285 Chino Roces Extension, Makati City takes full responsibility in complying with all conditions in this Environmental Compliance Certificate (ECC).

Signature

TIN 179 - 564 - 030

Subscribed and sworn to before me this APR 2 8 2009 day of _____, 2009, the above-named affiant taking oath presenting Community Tax Certificate (CTC) No. 19030211 issued on 01/12/09 at MANILA.

Notary Public

DOC. NO. 466
PAGE NO. 95
BOOK NO. XLIX
SERIES OF 2009

LORENZO U. GACAD, JR.
Notary Public
Until December 31, 2009
PTR No. 1586137 ; 1-14-09
IBP No. 769772 ; 1-07-09
TIN No. 108-447-582
Commission No. M-64 ; Roll No. 22596
Unit 304 Guadalupe Commercial Complex
Guadalupe Nuevo, Makati

Annex A

I. CONDITIONS

ENVIRONMENTAL MANAGEMENT

All commitments, mitigating measures and monitoring requirements, contained in the Environmental Impact Statement (EIS) for the proposed 200 MW_{net} Coal Fired Power Station Project, particularly in the Environmental Management and Monitoring Plan (EMMoP), including the modifications and additional information as approved by the EMB, shall be instituted to minimize any adverse impact of the project to the environment throughout its implementation, including the following:

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;

2. Implement a Comprehensive Social Development Program (SDP) and submit a report on a regular basis immediately upon the implementation of the SDP;

3. Implement an Integrated Coastal Protection and Management Program in cooperation with the Local Government unit and other stakeholders, to include, among others, river rehabilitation and marine protected area management in conjunction with planned reforestation activities;

4. Implement the Carbon Sink Reforestation Project (Maasim Watershed Development Project or Luntiang Maasim) covering a minimum area of 7,500 hectares to sequester the carbon dioxide emitted by the coal fired power station;

5. Establish appropriate measures and buffer zones along the entire periphery of the project site with appropriate species/dense vegetation cover to enhance the condition of the ecosystems and to serve as noise, vibration and dust buffers;

6. NWRB Permits shall be secured prior to water abstraction;

GENERAL CONDITIONS

7. The plant operations shall conform with the provisions of government environmental regulations and their Implementing Rules and Regulations namely: RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), RA 8749 (Philippine Clean Air Act of 1999), RA 9003 (Act providing for an Ecological Solid Waste Management Program), and RA 9275 (Philippine Clean Water Act of 2004);

8. Theproponent shall set-up the following:
   8.1 A readily available and replenishable Environmental Guarantee Fund (EGF) to cover the following expenses for further environmental assessments, compensations/indemnification for whatever damages to life and property that may be caused by the project; rehabilitation and /or restoration of areas affected by the project's implementation; and abandonment/decommissioning of the project facilities related to the prevention of possible negative impacts and as a source of fund for ontingency and clean up activities;

   8.2 Multipartite Monitoring Team (MMT) composed of representative(s) from the proponent, EMB Region XII, a local environmental Non-Government Organization (NGO), and the LGUs shall be organized. The MMT should primarily oversee the compliance of the proponent with the Environmental Management and Monitoring Plan (EMMoP) and the ECC conditions;

   8.3 A replenishable Environmental Monitoring Fund (EMF) to cover all costs attendant to the operation of the MMT such as training, sampling and analysis, hiring of technical

experts, accommodations and transportation. The amount and mechanics of the EGF, EMF and the establishment of the MMT shall be determined by the DENR and the proponent in consultation with EMB Region XII through a Memorandum of Agreement (MOA) which shall be submitted within sixty (60) days upon receipt of this Certificate.

9. Creation of an Environmental Unit (EU) within (60) sixty 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 and Monitoring Plan (EMMoP), the EU shall have the following responsibilities:

    a. Monitor actual project impacts vis-à-vis the predicted impacts on human/social and physical environment and management measures in the EIS;
    b. Implement, manage and monitor the various environmental programs that were committed in the EIS, EMP and this ECC;
    c. Implement the project's Actual Health Impact Assessment and Management Program related to the health risks identified in the Project's Health Risks Assessment to assess the occupational and community health impacts of the operations of the plant;
    d. Formulate suggestions on the revision of the EMMoP, whenever necessary, subject to the approval of EMB Central Office and EMB Region XII; and
    e. Ensure that data gathered during monitoring activities are properly documented, assessed, evaluated and reported in accordance to the standard formats;

II. RESTRICTIONS

10. No water intake from and waste water discharge to Sarangani Bay shall be undertaken;

11. Ensure that limestone supplier should have necessary permits; and

12. 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 Regional Office within fifteen (15) days as regards the transfer of ownership.

O.R. No	:	5857379
Date	:	January 8, 2009
Processing Fee	:	PhP 6,000.00

Annex B

PROJECT ASSESSMENT PLANNING TOOL

For the assistance of the Proponent and Government agencies concerned in the management of the project and for better coordination in mitigation on the impact of the project on its surrounding areas and to the environment.

By way of recommendation, the following have been taken notice of by the undersigned and are forwarding these recommendations to the parties and authorities concerned for proper action.

RECOMMENDATIONS TO CONCERNED GOVERNMENT AGENCIES	*RESPONSIBLE AGENCY*
1. Consider Project's coordination with the LGU on its Integrated Coastal Resource Management Program.	Proponent, LGU, MMT, Stakeholders
2. Consider providing technical and management supports in the preparation and implementation of LGU Projects that will avail the DOE 1-94 benefits.	Proponent, LGU, MMT, Stakeholders
3. Consider and follow-up on the progress of the implementation of the Project's Carbon Sequestration Program.	Proponent, LGU, MMT, Stakeholders
4. Consider Project's occupational health, sanitary facilities and safety concerns in the EHIA, including the need of workers to wear Personnel Protective Equipment due to possibility of respiratory and toxic metal chronic exposure from coal (e.g. Hg, As).	DOH DOLE Barangay and City Health Offices
5. Consider Project's need to Revised and Enhanced Emergency Preparedness Plans and Programs (EPPP) in coordination with the LGU and appropriate agencies. Involvement of the community is recommended through the MMT.	LGU, DOLE
ENVIRONMENTAL PLANNING RECOMMENDATIONS FOR THE PROPONENT	
6. Submission of quarterly summary report of the CEMS performance and annual evaluation test of RATA (Relative Accuracy Test Audit) to EMB Office.	
7. Give priority for the employment of local residents and provide adequate public information for jobs available in the affected areas.	

For dissemination and proper action of the parties concerned.

Imelda Valeroso
Chairman, EIARC

Julian D. Amador
Director

Cesar S. Siador Jr.
OIC Chief, EIAMD

SPPC

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Tel. Nos. (632) 929-66-26 to 29 • (632) 920-62-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

AUG 25 1997

9611-004-207
MR. JOSEPH C. NOCOS/MR. EDGAR D. SEVILLES
Alsons Power Holdings Corporation
2274 Priscilla Building
Pasong Tamo Extension
Makati City

Gentlemen:

This has reference to your application for an Environmental Compliance Certificate (ECC) for the proposed 50 MW BUNKER C FIRED DIESEL POWER PROJECT to be located in Barangay Baluntay, Municipality of Alabel, Sarangani Province.

After evaluation of the documents submitted on the aforesaid project, this Office has decided to grant the same an Environmental Compliance Certificate (ECC).

You may proceed with project implementation after securing all the necessary permits from other pertinent government agencies. Please be advised, however, that this Office will be monitoring the project periodically to ensure your compliance with stipulations cited in the attached ECC. Further, any expansion or modification of currently approved operations will be subject to the Environmental Impact Assessment (EIA) requirements.

Very truly yours,

VICTOR O. RAMOS
Secretary

cc: Environment Sector
DENR Region XI

Received 4/15/98

DENR Cons. DENR Dans.

SPPC

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Tel. Nos. (632) 929-66-26 to 29 • (632) 929-62-52
929-66-20 • 929-66-33 to 36
929-70-41 to 43

100

ENVIRONMENTAL COMPLIANCE CERTIFICATE

The Department of Environment and Natural Resources (DENR) through the Environmental Management Bureau (EMB) hereby grants this Environmental Compliance Certificate (ECC) to the proposed **50 MW BUNKER C FIRED DIESEL POWER PLANT PROJECT** of the **ALSONS POWER HOLDINGS AND TOMEN CORPORATIONS** to be located in **Brgy. Balintay, Municipality of Alabel, Sarangani Province,** after complying with the Environmental Impact Assessment (EIA) requirement, as prescribed in the promulgated guidelines implementing Section 3 (b) of P.D. 1121 and P.D. 1585

This Certificate is being issued subject to the following conditions:

1. This Certificate is valid only for the construction and operation of a 50 MW Bunker C Fired Diesel Power Plant in a seven (7) hectare area located in the above cited location;

2. The proponent shall first address the settlement of private/public properties that would be affected by the project by submitting to the EMB and DENR Regional Units an acceptable relocation and/or compensation program duly and legally approved by all affected families within the project site before actual start of the project construction. The relocation and/or compensation program shall include details of the payment scheme (who, how much and when paid);

3. A 50-m buffer zone shall be established between maximum NOx ground level concentration (GLC) location and the nearest residential area(s). A buffer zone around the perimeter of the power plant consisting of species of Philippine woods appropriate to the soil/elevation in the area shall be established and maintained;

4. The gaseous and particulate emissions from the stack of the engine generators shall at all times comply with the DENR set standards;

5. Effluent from the power plant including the cooling water shall be property treated before being discharged into any receiving body of water;

6. Proper collection and disposal of sludge, and other solid waste generated shall be strictly implemented. A yearly report on the volume of sludge and volume of waste oil recovered shall be submitted to the EMB and DENR Regional Units;

7. The proponent shall comply with all relevant air/noise and water quality standards set forth by the DENR, in instances where such exceeded, the proponent shall voluntarily stop operations until corrective measures are instituted;

8. The construction and operation of the project shall be in strict conformity with the Environmental Impact Statement and the additional information submissions;

9. The proponent shall comply with the DENR implementing rules and regulations of R.A 6969 for toxic and hazardous substance prior to project implementation;

10. Health and sanitation practices shall be observed at all times and protective gadgets/devices shall be provided to all workers to prevent accidents and or minimize hazards posed by the project;

DENR Cons. DENR Dirs.

11. Priority to employment including proponent-initiated livelihood, health (dental/medical), education, social development and welfare services shall be given to qualified local residents during the construction and operation of the project. These benefits/services shall be carried out in coordination with the local government unit's (LGUs) concern, the DENR, the Department of Social Welfare and Development (DSWD), the Department of Health (DOH) and the Department of Education Culture and Sports (DECS);

12. The proponent shall appraise the EMB and DENR Regional Units of the coordination undertaken by National Power Corporation (NPC) to address the concerns of private and other entities whose properties shall pass the transmission lines of NPC;

13. A validation study on the result(s) of the dispersion modeling documented in the EIS shall be conducted after the second month from the start of actual full load project operations. Any adjustment/modification in the technical design and operation of the plant as a result of such study shall be included in a report to be submitted to the EMB a month after completion of such determination for further evaluation and approval;

14. The proponent shall commission an independent and continuous study on the effects of the plant's emission on the surrounding communities, particularly the children and the elderly, the results of which shall be provided to the EMB and the DENR Regional Units on a semi-annual basis;

15. The proponent shall submit an Environmental Risk Assessment Study to include specific contingency measures and community assistance in case of catastrophic fire for approval by the EMB ninety (90) days before project implementation. At the same time, it shall undertake an annual auditing of risks and hazards, the results of which shall be submitted to the DENR Regional Units and the EMB;

16. The proponent shall implement a comprehensive Abandonment Plan duly approved by the EMB and concerned LGUs five (5) years prior to actual abandonment phase;

17. The proponent shall undertake an effective Information Education Communication (IEC) campaign to explain publicly its mitigative measures, as well as the conditions of the ECC. It shall open opportunities to educate the public especially the affected residents, interested institutions and other parties on the environment and human health safety features of the project. To assure the objectivity of presentation, the IEC activities shall be funded by the proponent but implemented by a joint team of the proponent and the DENR Regional Units and DENR's selected NGO partner;

18. The proponent shall undertake an environmental training for its staff and workers to gain understanding of the rationale for the recommended mitigation and monitoring for the project and to get acquainted with the standard operations and procedures, as well as the health and safety measures of the project. A report of this training shall be submitted to the EMB and DENR Regional Units;

19. All mitigating measures, contingency plans especially for oil spills and monitoring plans committed in the Environmental Management Plan of the EIS and its additional information shall be properly undertaken;

20. A more detailed Environmental Monitoring Program to be strictly carried out shall be submitted to EMB within thirty (30) days after receipt of the ECC. It should integrate the following:

a) construction of monitoring wells for regular groundwater quantity and quality monitoring;

b) setting up of upstream and downstream sampling stations for the affected river(s), specifically, the Maribulan River and the Buayan River, to monitor possible oil spillage and other water quality parameters;

c) annual biological monitoring of aquatic biota at the Maribulan River and any other affected water body;

d) monitoring of health conditions of the surrounding communities;

e) creation of an Environmental Unit headed by a qualified Pollution Control Officer charged with overseeing the EMP; the installation, operation and maintenance of pollution control equipment and facilities; and the coordination with the Multipartite Team;

f) submission of monitoring reports to the DENR Regional Units and the EMB quarterly or as required and assigning personnel for the reporting task; and

g) cost of the monitoring program including the source of funds

21. A Multi-Partite Monitoring Team (MMT) to be composed of the representatives of the DENR, the proponent, the affected community, the LGUs and local environmental NGO shall be formed through a Memorandum of Agreement (MOA) within sixty (60) days from receipt of this Certificate to oversee the compliance of the proponent with the ECC conditions, the EMP and applicable laws, rules and regulations. The proponent shall set aside an Environmental Monitoring Fund (EMF) to support the activities of the MMT such as training, meals, accommodation, transportation, etc;

22. A continuous environmental monitoring system (CEMS) shall be installed prior to project operation, the results of which shall be provided the DENR Regional Units and the EMB quarterly;

23. On-the-spot monitoring and inspection will be initiated by the DENR Regional Units or EMB anytime in coordination with the concerned groups;

24. The proponent shall likewise set up an Environmental Guarantee Fund (EGF) to cover expenses for indemnification of damages to life and property that might be caused by the project, including rehabilitation and/or restoration of areas affected by the project's implementation, decommissioning of the plant activities and other activities/projects related to the prevention of possible impacts. The amount and mechanics of the EGF shall be determined by the DENR the proponent, the LGUs, a local environmental NGO and the affected communities through a MOA within sixty (60) days after the issuance of this Certificate, the absence of which shall cause the cancellation of this ECC;

25. The proponent shall secure the Department of Agrarian Reform's (DAR) order on land conversion prior to project commencement, i.e., site clearing;

26. An appropriate permit from the National Water Resources Board (NWRB) shall be secured and submitted to the EMB and DENR Regional Units prior to project implementation in as

much as the proposed plant will require water for cooling and for the domestic use of the plant's staff;

27. All other required permits by other government agencies shall be secured prior to implementation;

28. Any expansion/modification of approved operations will be subjected to another new Environmental Impact Assessment requirement; and

29. Transfer of ownership of this project carries the same conditions in this ECC for which written notification shall be made within fifteen (15) days from such transfer.

Non-compliance with any of the above stipulations will be sufficient cause for the suspension or cancellation of this Certificate and/or a fine in an amount not to exceed Fifty Thousand Pesos (PHP 50,000) for every violation thereof, at the discretion of the EMB (Section 9 of P.D. 1586)

Given this AUG 25 1997

VICTOR O. RAMOS
Secretary

DELFIN J. GANAPIN, JR.
Undersecretary for Environment
and Programs Development

Republic of the Philippines
Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU XII
2/F Siyambio Bldg., Roxas St., Koronadal City
Tel. Fax (083) 2284848 • Tel. No. (083) 2284847
Email Address: embxii@greendot.com.ph

06 APR 2004

Mr. Guilberto A. Canzana
Power Plant Manager
Southern Philippines Power Corporation (SPPC)
Brgy. Baluntay, Alabel, Sarangani Province

ENVIRONMENTAL MANAGEMENT BUREAU
RECEIVED
06 APR 2004

Dear Mr. Canzana:

Greetings!

This has reference to your **Increase of the Capacity by Installing an Additional 5.5 MW Bunker-C Fired Diesel Generating Set Project** located at Brgy. Baluntay, Alabel, Sarangani Province.

After careful review and evaluation of your Initial Environmental Examination (IEE) Report submitted on the aforesaid project, this Office has decided to grant the same an Environmental Compliance Certificate (ECC).

You may proceed with the project implementation after securing all the necessary permits from concerned government agencies. Please be advised that this Office will be monitoring the project periodically to ensure your compliance with the stipulations cited in the attached ECC. Further, any expansion of the proposed project will be subject to another Environmental Impact Assessment (EIA) requirements.

Very truly yours,

DATU TUNGKO M. SAIKOL
Regional Director

jmc

Republic of the Philippines
Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU XII
2/F Siyambio Bldg., Roxas St., Koronadal City
Tel Fax (083) 2284848 • Tel. No. (083) 2284847
Email Address: embxii@greendot.com.ph

06-APR-2006

ENVIRONMENTAL COMPLIANCE CERTIFICATE

12 04 03-25-054-207

The Environmental Management Bureau (EMB), Regional Office XII, Koronadal City hereby grants this Environmental Compliance Certificate (ECC) to the Increase of the Capacity by Installing an Additional 5.5 MW Bunker-C Fired Diesel Generating Set Project of the **Southern Philippines Power Corporation (SPPC)** located at Brgy. Baluntay, Alabel, Sarangani Province, after complying with the Environmental Impact Assessment (EIA) System requirements as prescribed in the promulgated guidelines implementing Presidential Decree 1586 and Section 3(b) of PD 1121.

This Certificate is being issued subject to the following conditions:

1. That this Certificate shall cover the installation and operation of additional 5.5 MW Bunker C- Wartsila 18V32D Fired Diesel engine located at Brgy. Baluntay, Alabel, Sarangani Province;

2. That storage and handling of fuel oil, lubricants, diesel fuel and other combustible materials and/or substance should be in accordance with the implementing Rules and Regulations of Republic Act No. 6969;

3. That monitoring of water quality/effluent for parameters particularly oil and grease, pH, temperature, color, etc., shall be undertaken by the project proponent annually with the results of laboratory-analysis of water samples be submitted to this Office;

4. That proper maintenance of all pollution source equipment and control devices shall be carried out at all times to attain maximum efficiency;

5. That proper scheduling of noise-operating equipment to be used during construction must be observed in accordance with the Noise Standards pursuant to Section 78 of the 1978 NPCC Rules and Regulations adopted by the DENR;

6. That emissions emanating from operation shall pass the DENR Standard (Philippines Clean Air Act of 2000);

7. That a Permit to Operate (P/O) air pollution source equipment and control facilities shall be secured from this Office thirty (30) days from the receipt of this ECC;

8. That the project proponent shall employ a Pollution Control Officer (PCO) in accordance with the implementing Rules and Regulations of PD 984 particularly DAO 26, S. of 1991 to ensure that all environmental laws, rules and regulations shall be properly complied with;

9. That good housekeeping and sanitary practices shall be observed at all times throughout the lifespan of the project;

jem:

10. That all other mitigating measures stipulated in the submitted document (IEE) and not otherwise covered by any of the above conditions shall be strictly implemented;

11. That this ECC maybe amended or modified by this Office as the circumstances warrant or as the need arises, with due notice to the Project Proponent;

12. That any expansion from the existing approved operation shall be subject to another EIA requirements;

13. That safety gadgets shall be provided to all workers to prevent health and optional hazards posed by the project operations;

14. That the proponent shall undertake the following information/dissemination activities within sixty (60) days from the receipt of this ECC:

    a. To publish the ECC in a regional or local newspaper of general circulation once a week for two (2) consecutive weeks;

    b. ECC billboards with dimension of 4 ft. x 8 ft. must be installed at entry/exit points and perimeters of the project site facing the road. The billboard shall contain the following message: " Notice to the Public, This Project Increase of the Capacity by Installing an Additional 5.5 MW Bunker-C Fired Diesel Generating Set has been issued an Environmental Compliance Certificate (ECC) No. 12 04 03 25-054-207 by the Environmental Management Bureau (EMB), Region XII on 06 APR 2004 2004;

    Proof of compliance (original copies of the newspaper clippings and photographs of the installed billboards) must be submitted to EMB-DENR RO 12, within ninety (90) days from the receipt of this ECC

15. That on the spot monitoring and inspection can be initiated by the EMB XII personnel anytime in accordance with the concerned groups;

16. That the EMB reserves the right to cancel or withdraw this certificate for any misrepresentation of facts vital to the issuance of this certificate and for any violation of the conditions stipulated hereof;

17. That any adverse impact caused by the project shall be the sole responsibility of the proponent;

18. That transfer of ownership of the project carries the same conditions in this Certificate for which written notification shall be made by the herein grantee within fifteen (15) days from such transfer.

THIS ECC SHOULD NOT BE MISCONSTRUED AS A PERMIT; RATHER A SET OF CONDITIONALITIES/GUIDELINES WHICH SHOULD BE FOLLOWED BY THE PROJECT PROPONENT IN ALL STAGES OF PROJECT IMPLEMENTATION IN ORDER TO MITIGATE POTENTIAL ADVERSE IMPACT ON THE ENVIRONMENT.

jmc

Non-compliance with any of the above stipulations will be sufficient cause for the suspension or cancellation of this Certificate and/or a fine in an amount not to exceed Fifty Thousand Pesos (P50,000.00) for every violation thereof at the discretion of this Office pursuant to Section 9 of PD 1586.

Given this 06 APR 2004 day of _____, Two Thousand Four (2004), at Koronadal City, Philippines.

DATU TUNGKO M. SAIKOL
Regional Director

Recommending Approval:

ENGR. WILSON L. TRAJICO, PME
OIC-Chief, EIM Division

CONFORME:

GUILBERTO A. CAZZAIA
Power Plant Manager/Proponent

THIS ECC SHALL BE POSTED IN A CONSPICUOUS LOCATION NEAR THE PROJECT AND SHALL BE ADEQUATELY FRAMED OF OTHERWISE PROTECTED AGAINST DAMAGE.

THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID WITHOUT THE OFFICIAL SEAL AND/OR STAMP RELEASED OF EMB-12 DULY SIGNED BY THE RECORDS/RELEASING OFFICER.

			OR No.	Date Issued
Procedural Screening Fee	:	P 300.00	1756293	3-11-04
ECC Processing Fee	:	2,700.00	-do-	-do-
Database Management Fee	:	1,000.00	-do-	-do-

jane

Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Tel. Nos. (632) 929-66-26 to 29 • (632) 929-62-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

ENVIRONMENTAL COMPLIANCE CERTIFICATE

The Department of Environment and Natural Resources (DENR) through the Environmental Management Bureau (EMB), hereby grants the Environmental Compliance Certificate (ECC) to the proposed **100 MW DIESEL-FIRED POWER PLANT PROJECT** of the **AJ.SONS POWER HOLDINGS CORPORATION** to be located in Bo. Malamugat, Sangali, Zamboanga City, after complying with the Environmental Impact Assessment (EIA) requirement, as prescribed in the promulgated guidelines implementing Section 3(b) of P.D. 1121 and P.D. 1586.

This Certificate is being issued subject to the following conditions:

1. This Certificate is valid only for the construction and operation of 100 MW Diesel-Fired Power Plant in a nine (9) hectare area consisting of the following components:

   1.1 ten (10) units 18V38 Stock Wartsila Engines with a capacity of 13.792 MW per engine.

   1.2 cooling tower system with a cooling capacity of 4700 kw and an outlet temperature of 32°C;

   1.3 cooling tower system employing a wet-gas absorption method using $Mg(OH)_2$ slurry and with two (2) units of scrubber and has a capacity of treating 63, 100 ncm/hr waste gas;

   1.4 water treatment facility employing neutralization, coagulation and filtration systems and has a capacity of treating 30 ncm/hr wastewater;

   1.5 exhaust gas boilers with a capacity of 1.5 tons per hour;

   1.6 exhaust gas system silencers at a rated noise level of 35 Db(A);

   1.7 a ten (10) inch piping system from the unloading area to the storage facility following the national road; and

   1.8 a catch basin and an oil spill boom at the unloading area.

2. A continuous automatic/computerized stack and ambient air quality monitoring for sulfur dioxide, nitrogen oxide and other relevant air quality parameters shall be installed prior to project implementation. The system shall be connected to a public information board that automatically records the results in real time for public to see. The sufficiency of the ambient air quality monitoring stations established in the impact area shall be determined by the DENR Region IX. The monitoring results shall be submitted to the EMB, the DENR Region IX and the LGUs on a monthly basis including a report of action(s) taken in cases of exceedances of DENR standards;

3. The proponent shall coordinate with the DENR Region IX and the LGUs in the formulation and implementation of other appropriate action(s) to reduce ground level concentration of particulates, nitrous oxides, sulfur dioxides and carbon monoxides in cases of exceedances, a report of which shall be submitted to the DENR Region IX and the EMB annually;

4. Should the quality of the effluents and emission including noise exceed the standards, operations of equipment/facilities related to the exceedance of such standards shall be temporarily suspended after prior notice and shall be lifted only after appropriate measures are effected. The proponent shall restore and compensate damages resulting from such exceedance;

5. A validation study on the result of dispersion model shall be conducted after the second month from the start of actual full load project operation. Any adjustment/modification on the technical design and operation of the plant as a result of such study shall be included in a report to be submitted to EMB a month thereafter for further evaluation;

6. The proponent shall submit to the EMB and the DENR RegionIX an acceptable relocation/compensation program (duly and legally approved by all affected families within the project site) before the actual start of project construction;

7. The relocation and compensation program shall be implemented and reported to the EMB and the DENR Region IX prior to construction. The report shall include the scheme of payment (who, how much and whom paid);

8. The proponent shall maintain a quarterly consultation with affected parties such as Sangali School, Sangali Fishing Port Complex, seaweed farmers and agricultural farmers especially as regards the impacts of noise and air quality;

9. Health and sanitation practices shall be observed at all times and protective gadgets/devices shall be provided to all workers to prevent accidents and or minimize hazards posed by the project;

10. The construction and operation of the project shall be in strict conformity with the Environmental Impact Statement incorporating the revisions/additional information submitted;

11. An adequate green buffer zone of not less than ten (10) meters within the perimeter fence of the project site shall be established and maintained;

12. The proponent shall ensure the integrity of the mangroves and the coral reef and the sustainability of the fisheries in the impact area;

13. All mitigating measures, contingency plans especially for oil spills and monitoring plans committed in the Environmental Management Plan of the EIS and its additional information shall be properly undertaken;

14. A more detailed Environmental Monitoring Program to be strictly carried out should be submitted to the EMB within thirty (30) days after the receipt of the ECC. It should integrate the following:

    14.1 construction of at least two (2) monitoring wells to be located upstream and downstream for groundwater quality monitoring to be conducted regularly and that a report of the same shall be submitted to EMB;

3/4

14.2 setting up upstream and downstream sampling stations for Bolong River and a sampling station at Malasugat Bay, specifically, to monitor possible oil spillage;

14.3 annual biological monitoring of aquatic biota of the Bolong River, the Pamingitan River, Malasugat Bay and any other affected water body;

14.4 annual productivity monitoring of the fisheries, seaweed farming and croplands;

14.5 monitoring of health conditions;

14.6 formulation of measures to ensure that the stretch of natural growth of mangroves shall be protected and maintained;

14.7 creation of an Environmental Unit headed by a qualified Pollution Control Officer charged with overseeing the EMP; the installation, operation and maintenance of pollution control equipment and facilities; and the coordination with the Multipartite Team;

14.8 submission of monitoring reports to EMB quarterly or as required and assigning personnel for reporting task; and

14.9 inclusion of the costs of monitoring program including the source of funds;

15. Multipartite Monitoring Team (MMT) composed of representatives of the DENR, the NGOs, the LGUs, the affected parties and the proponent shall be formed within sixty (60) days from the receipt hereof to monitor compliance to the ECC conditions. It shall operate in accordance with a mutually agreed upon Terms of Reference;

16. On-the-spot monitoring and inspections will be undertaken anytime by the DENR Region IX in coordination with concerned groups;

17. The proponents shall undertake an effective Information Education Campaign (IEC) to explain publicly its mitigative measures as well as the conditions of the ECC. It shall open opportunities to educate the public especially the affected Saugall residents, interested institutions and other parties on the environment and human health safety features of the project. To assure the objectivity of presentation, the IEC activities shall be funded by the proponent but implemented by a joint team of the proponent and the DENR Region IX and DENR's selected NGO partner. The proponent shall submit a detailed IEC Program to the EMB, DENR Region IX and the LGUs annually and a report of its implementation bi-annually;

18. The proponent shall undertake an environmental training for its staff and workers to gain understanding of the rationale for the recommended mitigation and monitoring for the project and to get acquainted with the standard operations and procedures, as well as the health and safety measures of the project.

19. The proponent shall put up an Environmental Guarantee Fund (EGF) to cover indemnification of damages caused by the project and immediate rehabilitation and/or restoration of affected ecosystems and Environmental Monitoring Fund to cover expenses of environmental monitoring surveillance. The EGF and EMF shall be developed and committed through a Memorandum of Agreement (MOA) between and among the proponent, the affected parties, the DENR, LGUs and concerned NGOs within sixty (60) days from receipt of the ECC;

20. Qualified residents in the impact area and vicinities shall be given preference and priority in employment. A Memorandum of Agreement between and among the LGU concerned, the affected community and the proponent to this effect must be finalized and carried out, copy furnished the DENR Region IX and the EMB;

21. The proponent shall assist the LGU in the provision of medical/dental and education services in the impact area in coordination with the Department of Health and the Department of Education, Culture and Sports;

22. The proponent shall submit an Environmental Risk Assessment Study to include specific contingency measures and community assitance in case of catastrophich fire for approval by the EMB ninety (90) days before project implementation. At the same time, it shall undertake an annual auditing of risks and hazards, the results of which shall be submitted to the DENR Region IX and the EMB;

23. Other relevant permits from the DENR and other concerned government agencies shall be secured before project implementation;

24. Any expansion and/or modification of approved operations shall be subject to new EIA requirements; and

25. Transfer of ownership of this project carries the same conditions in this ECC for which written notification shall be made within fifteen (15) days from such transfer.

Non-compliance with any of the above conditions shall be sufficient cause for the suspension or 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, at the discretion of the EMB (Section 9 of P.D. 1586).

Given this 09 NOV 1996

VICTOR O. RAMOS
Secretary

Recommending Approval:

DELFIN J. GANAPIN, JR.
Undersecretary for Environment
and Programs Development

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

July 3, 2013

MR. RUBEN B. RAMILO, PECE
Power Plant Manager
Mapalad Power Corporation
Mapalad, Dalipuga, Iligan City

Dear Mr. Ramilo:

This refers to the transfer of ownership of the Iligan Diesel Power Plant 1 & 2 located at Mapalad, Dalipuga, Iligan City from Iligan City Government to Mapalad Power Corporation (MPC).

Please be informed that we now acknowledged MPC as the new owner of the Iligan Diesel Power Plant. All records pertinent to its operation shall now be transferred to MPC.

Further, the Memorandum issued by then President Corazon C. Aquino exempting the Iligan Diesel Power Plants from the Environmental Compliance Certificate (ECC) requirement in 1992 still subsists.

For information and guidance.

Very truly yours,

DR. SABDULLAH C. ABUBACAR, CESO IV
Regional Director

fn:winword/rid/letter-NPC 1

Tel. Nos (08822) 8569362 / Fax No.: (08822) 726243
Email Address: emb10@sni.ph / Website : emb10.norminet.org.ph

Save the Ozone Layer

Pambansang Korporasyon Sa Elektrisidad
(NATIONAL POWER CORPORATION)

24 June 1992

DEPT. OF ENVIRONMENT & NATURAL RES.
JUN 25 1992
Office of the Secretary

HER EXCELLENCY
PRESIDENT CORAZON C. AQUINO
Malacañang, Manila

Dear Madame President:

In the light of the present crisis and as agreed on during the June 2, 3 and 17, 1992 meetings in Malacañang, the fast- tracking of power implementation will now be carried out. For this, NAPOCOR has lined up five (5) power projects, four (4) on Build- Operate-Transfer (BOT) and one (1) on Built-Transfer-Operate (BTO) scheme. These projects which were approved by the ICC Cabinet Committee on its June 23, 1992 meeting are:

a) Luzon

1. 200 MW combined-cycle gas turbines in Subic (EIS)
2. 100 MW gas turbines in Navotas (Hopewell Power Philippines Corporation)
3. 105 MW Bunker C fired diesel generators in Batangas (PEDC)

b) Mindanao

4. 60 MW Bunker C fired diesel generators in Iligan City (Power-ALSONS)
5. 40 MW Bunker C fired diesel generators in Iligan City (Power) - BTO basis

These power projects will be of the same nature as some existing power plants in NAPOCOR, for which DENR has already issued environmental Compliance Certificates (ECC) in the past. They will also be located in existing power plant sites which are industrial areas. By their nature, these power plants are environmentally compatible and will be constructed to comply with environmental-standards. Their operation therefore will have minimal adverse impact to the environment. The combined-cycle power plants, specifically, employ waste heat (from the gas turbine) utilization (for the steam turbine), thus resulting in higher efficiency of power generation per quantity of fuel (diesel and bunker oils) burned. They will be equipped

Office Address: [illegible] Ayala Road
Cable Address: NAPOCOR PM
Tel. Nos. 92-13-541 571
551 580

with oil pollution control facilities, such as oil-water separator, and provided with oil spill control and clean-up equipment such as oil spill boom, skimmer and adsorbents. They will also have and institute oil spill contingency plans and procedures. Their noise emission will comply with DENR noise standards. Their thermal effluent will not violate the DENR standard of 3°C water temperature rise beyond the mixing zone. Their gaseous emissions, discharged through above-ground, tall stacks, will comply with DENR ambient, ground level standards for air pollutants such as Sulfur Dioxide, Suspended Particulate Matter and Nitrogen Oxide. They will also comply with the DENR emission standards for Particulate Matter and Nitrogen Dioxide.

So far, the operating experience from similar power plants is devoid of environmental problems. This is also as predicted in the Environmental Impact Statements, which led to the past ECC issuances by the DENR, for the previous similar power plants.

In order for these power projects to operate at the shortest possible time to augment power shortage by 1993, the abovepower plants' outright exemption from the DENR's ECC requirement for their construction and operation will be in order. We recommend that it be done, right away, to pave the way for project implementation.

Very truly yours,

PAULO V. MALIXI
President

CONFORME:

No objection

FULGENCIO S. FACTORAN
Secretary, Department of Environment and Natural Resources

APPROVED:

CORAZON C. AQUINO
President
Republic of the Philippines

Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
ENVIRONMENTAL MANAGEMENT AND PROTECTED AREAS SERVICES
Region XII, Cotabato City

CE-9307-04

CERTIFICATE OF EXEMPTION

TO WHOM IT MAY CONCERN :

This is to certify that the Mandulog Waterworks Projects of Northern Mindanao Power Corporation located at Brgy. San Roque, Lambaguhon, Iligan City is hereby exempted from P. D. 1586 per letter dated June 24, 1992, signed by DENR Secretary Fulgencio S. Factoran and approved by former President Corazon C. Aquino and that, therefore the proponent can proceed with the implementation of the proposed project, subject however, to the appropriate environmental rules and regulations required by both national and local authorities.

Given this 15th day of July, 1993 at Cotabato City, Philippines.

By Authority of the Secretary :

MACORRO L. MACUMBAL, AL HAJ
Regional Executive Director

UNDERTAKING TO PUBLISH NOTICE OF FILING OF REGISTRATION STATEMENT

REPUBLIC OF THE PHILIPPINES }
MAKATI CITY } S.S.

UNDERTAKNG

I, **Tirso G. Santillan, Jr.**, Filipino, of legal age and with office address at the 4/F, Alphaland Southgate Tower 2258 Chino Roces Avenue corner EDSA, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the incumbent Executive Vice President of **ALSONS CONSOLIDATED RESOURCES, INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City (the "Corporation"); and

2. I hereby undertake, for and on behalf of the Corporation, to cause the publication of the Notice of Filing of the Registration Statement once per week for two (2) consecutive weeks in two (2) newspapers of general circulation in the Philippines and submit the corresponding affidavits of publication once the same is available.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal this DEC 07 2016 of December 2016.

Tirso G. Santillan Jr.
Executive Vice President
TIN 134-840-919

SUBSCRIBED AND SWORN to before me this DEC 07 2016 day of December 2016 in Makati City, affiant exhibiting to me competent evidence of his identity consisting of his driver's license #N17-72-000977 issued on February 12, 2015 at the LTO, Quezon City

Doc. No. 99;
Page No. 21;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

CERTIFICATION:

LEGAL PROCEEDINGS

REPUBLIC OF THE PHILIPPINES }
MAKATI CITY } S.S.

OFFICER'S CERTIFICATE

I, **Tirso G. Santillan, Jr.**, Filipino, of legal age and with office address at the 4/F, Alphaland Southgate Tower 2258 Chino Roces Avenue corner EDSA, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the incumbent Executive Vice President of **ALSONS CONSOLIDATED RESOURCES, INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City (the "Corporation");

2. As of October 31, 2016, the Corporation is not involved in any case.

3. The foregoing is in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal this DEC 07 2016 of December 2016.

Tirso G. Santillan Jr.
Executive Vice President
TIN 134-840-919

SUBSCRIBED AND SWORN to before me this DEC 07 2016 day of December 2016 in Makati City, affiant exhibiting to me competent evidence of his identity consisting of his driver's license #N17-72-000977 issued on February 12, 2015 at the LTO, Quezon City

Doc. No. 96;
Page No. 21;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

CERTIFICATION:

AUDITED FS OF SUBSIDIARIES

REPUBLIC OF THE PHILIPPINES }
MAKATI CITY } S.S.

OFFICER'S CERTIFICATE

I, **Tirso G. Santillan, Jr.**, Filipino, of legal age and with office address at the 4/F, Alphaland Southgate Tower 2258 Chino Roces Avenue corner EDSA, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the incumbent Executive Vice President of **ALSONS CONSOLIDATED RESOURCES, INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City (the "Corporation");

2. The Audited Financial Statements as of 31 December 2015 of the Corporation's subsidiaries enumerated below have been submitted to the Securities and Exchange Commission:

   (1) Conal Holdings Corporation (CHC)
   (2) Alsing Power Holdings, Inc. (APHI)
   (3) Western Mindanao Power Corporation (WMPC)
   (4) Southern Philippines Power Corporation (SPPC)
   (5) Alto Power Management Corporation (APMC)
   (6) Mapalad Power Corporation (MPC)
   (7) Alsons Renewable Energy Corporation (AREC)
   (8) Siguil Hydro Power Corporation (Siguil)
   (9) Kalaong Power Corporation (Kalaong)
   (10) Alsons Thermal Energy Corporation (ATEC)
   (11) Sarangani Energy Corporation (Sarangani)
   (12) San Ramon Power, Inc. (SRPI)
   (13) Alsons Land Corporation (ALC)
   (14) Kamanga Agro-Industrial Ecozone Development Corporation (KAEDC)
   (15) ACES Technical Services Corporation (ACES)

3. The foregoing is in accordance with the records of the Corporation's subsidiaries.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal this DEC 07 2016 of December 2016.

Tirso G. Santillan Jr.
Executive Vice President
TIN 134-840-919

SUBSCRIBED AND SWORN to before me this DEC 07 2016 day of December 2016 in Makati City, affiant exhibiting to me competent evidence of his identity consisting of his driver's license #N17-72-000977 issued on February 12, 2015 at the LTO, Quezon City

Doc. No. 99;
Page No. 21;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA, III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City

CERTIFICATION:

GOVERNMENT LICENSE/ PERMIT

REPUBLIC OF THE PHILIPPINES }
MAKATI CITY } S.S.

OFFICER'S CERTIFICATE

I, **Tirso G. Santillan, Jr.**, Filipino, of legal age and with office address at the 4/F, Alphaland Southgate Tower 2258 Chino Roces Avenue corner EDSA, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the incumbent Executive Vice President of **ALSONS CONSOLIDATED RESOURCES, INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City (the "Corporation");

2. As of the date of this document, the Corporation has obtained all permits, licenses and/or certificates of compliance from the relevant and appropriate regulatory agencies in relation to the continued business of the Corporation.; and

3. The foregoing is in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal this DEC 07 2016 of December 2016.

Tirso G. Santillan Jr.
Executive Vice President
TIN 134-840-919

SUBSCRIBED AND SWORN to before me this DEC 07 2016 day of December 2016 in Makati City, affiant exhibiting to me competent evidence of his identity consisting of his driver's license #N17-72-000977 issued on February 12, 2015 at the LTO, Quezon City

Doc. No. 98;
Page No. 21;
Book No. III;
Series of 2016.

ANGEL M. ESGUERRA III
NOTARY PUBLIC
ROLL NO. 34787
MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City
Until December 31, 2017
Roll No. 34787; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5330716;01-08-2016; Makati City
Alsons Bldg., 2286 Chino Roces Avenue, Makati City