



108132014001577

**SECURITIES AND EXCHANGE COMMISSION**

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Company Type Stock Corporation

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SEC Registration Number

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(Company's Full Name)

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

Mr. Luis R. Ymson, Jr.

(Contract Person)

982 3000

(Company Telephone Number)

0	6	3	0
Month	Day		
(Fiscal Year)			

1	7	-	Q
(Form Type)			

0	5	2	3
Month	Day		
(Annual Meeting)			

(Secondary License Type, If Applicable)

CFD

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Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number									

LCU

Document ID									

Cashier

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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 2014
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 ☒ 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 ☒ No ☐

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

Yes ☒ No ☐

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Alsons Consolidated Resources, Inc.
and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at June 30, 2014 and for the Six-Month Periods Ended
June 30, 2014 and 2013
*(With Comparative Audited Consolidated Balance Sheet
as at December 31, 2013)*

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEET****JUNE 30, 2014****(With Comparative Audited Figures as at December 31, 2013)**

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P4,781,632,536	P1,422,362,785
Short-term cash investments (Note 13)	547,830,781	8,802,310
Trade and other receivables (Note 5)	4,322,539,678	4,319,949,469
Inventories	218,441,048	204,349,009
Real estate inventories (Note 6)	649,416,295	649,416,295
Prepaid expenses and other current assets	301,418,322	236,228,525
Total Current Assets	10,821,278,660	6,841,108,393
Noncurrent Assets		
Noncurrent portion of installment receivables	9,756,899	9,756,899
Investments in real estate (Note 6)	1,477,056,003	1,477,259,866
Investments in associates	1,219,595,317	1,219,595,317
Property, plant and equipment	10,566,518,119	6,673,763,949
Available-for-sale financial assets	83,892,825	55,862,692
Goodwill (Note 7)	981,743,298	994,928,342
Retirement assets	42,253,863	49,965,852
Deferred tax assets - net	11,139,121	11,630,735
Other noncurrent assets (Note 8)	482,983,978	624,572,058
Total Noncurrent Assets	14,874,939,423	11,117,335,710
	P25,696,218,083	P17,958,444,103
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 9)	P941,561,569	P 877,737,772
Loans payable	785,232,528	794,366,639
Dividends payable	931,608,400	-
Income tax payable	65,627,371	100,872,098
Derivative liability	37,923,780	37,923,780
Current portion of long-term debt	367,087,376	454,022,139
Total Current Liabilities	3,129,041,024	2,264,922,428
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 13)	11,145,356,468	4,736,472,902
Deferred tax liabilities - net	417,683,038	425,715,041
Retirement payable	9,556,530	9,488,962
Asset retirement obligation (Note 13)	80,140,610	78,801,367
Total Noncurrent Liabilities	11,652,736,646	5,250,478,272
Total Liabilities	14,781,777,670	7,515,400,700

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEET****JUNE 30, 2014****(With Comparative Audited Figures as at December 31, 2013)**

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Equity (Note 10)		
Capital stock	6,309,283,333	6,309,283,333
Other reserves	218,167,710	175,793,653
Cumulative translation adjustment	1,721,117,533	1,575,034,794
Retained earnings:		
Appropriated	1,700,000,000	850,000,000
Unappropriated	421,582,865	1,156,385,631
Attributable to owners of the parent	10,406,068,235	10,066,497,411
Non-controlling interests	544,288,972	376,545,992
Total Equity	10,914,440,413	10,443,043,403
	P25,696,218,083	P17,958,444,103

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30		Three Months Ended April 1 to June 30	
	2014	2013	2014	2013
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUE				
Energy fees	P2,560,809,647	P1,186,277,598	P1,386,192,302	P692,644,033
Sale of real estate	-	3,239,960	-	1,844,960
Management fees	12,442,614	13,833,592	6,166,883	6,526,151
Rental income and others	4,403,793	5,138,681	2,155,291	2,491,341
	<u>2,577,656,054</u>	<u>1,208,489,831</u>	<u>1,394,514,476</u>	<u>703,506,485</u>
INCOME (EXPENSES)				
Cost of goods and services	(1,725,884,287)	(515,562,727)	(1,000,099,702)	(282,826,375)
General and administrative expenses	(199,268,072)	(125,144,445)	(114,544,702)	(63,117,980)
Finance income (charges) - net	(126,910,997)	(58,689,130)	(67,738,517)	(41,563,686)
Other income - net	43,402,359	54,610,611	35,063,255	(3,786,510)
	<u>(2,008,660,997)</u>	<u>(664,785,691)</u>	<u>(1,147,319,666)</u>	<u>(391,294,551)</u>
INCOME BEFORE INCOME TAX	<u>568,995,056</u>	<u>563,704,140</u>	<u>247,194,809</u>	<u>312,211,934</u>
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)				
Current	156,491,381	132,565,544	59,969,776	65,981,141
Deferred	(8,518,312)	(659,475)	(4,919,357)	(22,191)
	<u>147,973,069</u>	<u>131,906,069</u>	<u>55,050,419</u>	<u>65,958,950</u>
NET INCOME FROM CONTINUING OPERATIONS	<u>421,021,987</u>	<u>431,798,071</u>	<u>192,144,390</u>	<u>246,252,984</u>
DISCONTINUED OPERATIONS	<u>-</u>	<u>81,011,503</u>	<u>-</u>	<u>44,614,407</u>
NET INCOME	<u>P421,021,987</u>	<u>P513,809,574</u>	<u>P192,144,390</u>	<u>P290,867,391</u>
ATTRIBUTABLE TO:				
Owners of the parent:				
Continuing operations	P215,861,234	P125,780,192	P66,763,129	P54,288,649
Discontinued operations	-	49,149,494	-	26,737,415
	<u>215,861,234</u>	<u>174,929,686</u>	<u>66,763,129</u>	<u>81,026,064</u>
Non-controlling Interest:				
Continuing operations	205,160,753	306,017,879	125,381,261	191,964,334
Discontinued operations	-	32,862,009	-	17,876,993
	<u>205,160,753</u>	<u>338,879,888</u>	<u>125,381,261</u>	<u>209,841,327</u>
	<u>P421,021,987</u>	<u>P513,809,574</u>	<u>P192,144,390</u>	<u>P290,867,391</u>
Basic/diluted earnings per share attributable to owners of the parent				
Continuing operations	P0.034	P0.028	P0.011	P0.009
Discontinued operations	-	0.005	-	0.004
	<u>P0.034</u>	<u>P0.038</u>	<u>P0.011</u>	<u>P0.013</u>

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Three Months Ended June 30		Three Months Ended June 30	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NET INCOME FOR THE PERIOD	P 421,021,987	P513,809,574	P192,144,390	P290,867,391
OTHER COMPREHENSIVE INCOME (LOSS)				
Gain on fair valuation of AFS financial Assets	42,774,057	10,383,353	35,053,824	2,610,900
Translation adjustments	109,664,966	138,514,119	(143,535,385)	9,475,557
TOTAL COMPREHENSIVE INCOME (LOSS)	P573,461,010	P662,707,046	P83,662,829	P302,953,848
ATTRIBUTABLE TO:				
Owners of the parent:				
Continuing operations	P404,718,030	P 286,515,744	P(5,300,659)	P78,213,186
Discontinued operations	-	49,149,494	-	26,737,414
	404,718,030	335,665,238	(5,300,659)	104,950,600
Non-controlling Interest:				
Continuing operations	168,742,980	294,179,798	88,963,488	180,126,253
Discontinued operations	-	32,862,009	-	17,876,993
	168,742,980	327,041,808	88,963,488	198,003,247
	P573,461,010	P662,707,046	P83,662,829	P302,953,847

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013

	Attributable to Equity Holders of the Parent									
	Common Shares	Preferred Shares (Note 10)	Actual Gains (Losses)	Unrealized		Unappropriated Retained Earnings	Appropriated Retained Earnings	Equity Reserve	Cumulative Translation Adjustment	Non-controlling Interests (Note 1)
				Gain (Loss)	Gain (Loss) on AFS Financial Assets					
Balance at December 31, 2013	P6,291,500,000	P55,000,000	P1,158,367	P28,754,589	P1,156,385,631	P850,000,000	P145,480,697	P10,103,314,078	P1,575,034,794	P375,545,992
Subscription receivable		(37,216,667)						(37,216,667)		
Balance at December 31, 2013	6,291,500,000	17,783,333	1,158,367	28,754,589	1,156,385,631	850,000,000	P145,480,697	10,066,097,411	1,575,034,794	375,545,992
Net income	-	-	-	-	215,861,234	-	-	215,861,234	-	205,160,753
Other comprehensive income	-	-	-	42,774,057	-	-	-	146,082,739	-	(36,417,773)
Total comprehensive income (loss)	-	-	-	42,774,057	363,370,014	-	-	404,718,030	-	168,742,980
Appropriations of Retained Earnings	-	-	-	-	(850,000,000)	850,000,000	-	-	-	-
Dividends	-	-	-	-	(100,664,000)	-	-	(100,664,000)	-	-
Balance at June 30, 2014	P6,291,500,000	P17,783,333	P1,158,367	P71,528,646	P421,582,865	P1,700,000,000	P145,480,697	P10,370,151,441	P1,721,117,533	P544,288,972
Balance at December 31, 2012	P6,291,500,000	P55,000,000	(P3,816,281)	P35,495,598	P804,037,231	P850,000,000	P-	P9,125,848,291	P1,093,631,739	P2,134,500,415
Subscription receivable		(41,250,000)						(41,250,000)		
Balance at December 31, 2012	6,291,500,000	13,750,000	(P3,816,281)	35,495,598	804,037,231	850,000,000	-	9,084,598,287	1,093,631,739	2,134,500,415
Net income	-	-	-	-	174,929,686	-	-	174,929,686	-	338,879,889
Other comprehensive income	-	-	-	10,383,353	-	-	-	160,735,557	150,352,204	(11,838,085)
Total comprehensive income (loss)	-	-	-	10,383,353	174,929,686	-	-	335,665,243	150,352,204	327,041,804
Dividends	-	-	-	-	(100,664,000)	-	-	(100,664,000)	-	-
Balance at June 30, 2013	P6,291,500,000	P13,750,000	(P3,816,281)	P49,906,390	P878,302,918	P850,000,000	P-	P9,234,167,315	P1,243,983,943	P2,461,542,219
Balance at June 30, 2013	P6,291,500,000	P13,750,000	(P3,816,281)	P49,906,390	P878,302,918	P850,000,000	P-	P9,234,167,315	P2,461,542,219	P1,695,709,534

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30	
	2014 (Unaudited)	2013 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P568,995,056	P563,704,140
Adjustments for:		
Depreciation and amortization	387,129,767	270,484,132
Interest income	(10,445,958)	(24,326,346)
Finance charges	127,251,696	82,033,289
Retirement costs	67,568	67,568
Unrealized foreign exchange gain	21,485,394	(8,576,986)
Impairment loss on deferred project cost	-	1,424,729
Operating lease income based on straight-line amortization of deferred lease	-	(1,567,108)
Loss on sale of property, plant and equipment	262,989	448,563
Operating income before working capital changes	1,094,746,512	883,691,981
Decrease (increase) in:		
Trade and other receivables	(4,024,372)	40,532,438
Prepaid expenses and other current assets	(64,288,583)	85,066,196
Spare parts and supplies	(1,059,564)	(43,687,412)
Real estate inventories	-	30,375,265
Noncurrent portion of installment receivables	-	-
Increase (decrease) in:		
Accounts payable and other current liabilities	3,059,294	275,084,454
Customers' deposits	5,206,777	51,307,606
Net cash flows from operations	1,033,640,064	1,322,370,528
Retirement contributions	-	(7,810,941)
Income taxes paid	(227,700,803)	(151,439,210)
Net cash flows from (used in) operating activities	805,939,261	1,163,120,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Other noncurrent assets	19,625,137	(1,196,424,037)
Due from related parties	4,024,372	(87,155,998)
Short-term cash investments	-	(402,287,026)
Additions to property, plant and equipment (Note 7)	(3,699,462,164)	(2,197,388,822)
Interest received	11,102,350	35,184,729
Proceeds from disposal of property, plant and equipment	353,720	970,305
Computer software	(3,649,895)	(1,772,722)
Net cash flows from (used in) investing activities	(3,668,006,480)	(3,848,873,571)

(Forward)

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

	Six Months Ended June 30	
	2014 (Unaudited)	2013 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of preferred shares	-	13,750,000
Availment (payments) of:		
Net availment of Debts	6,273,183,617	3,551,233,221
Interest	(51,846,647)	(53,355,646)
Dividend	-	(100,664,003)
Net cash flows used in financing activities	6,221,336,970	3,410,963,572
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,359,269,751	725,210,368
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,422,362,785	277,436,876
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	P4,781,632,536	P1,002,647,242

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES **NOTES TO UNAUDITED 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 registered office address of ACR is 2286 Don Chino Roces Avenue, Makati 1231 Philippines.

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

Subsidiaries	Nature of business	Percentage of Ownership			
		June 30, 2014		December 31, 2013	
		Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	60.00	—
Alsings 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 Land Corporation (ALC)	Real estate	99.55	—	99.55	—
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
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	—

**Indirectly owned in 2010 but transferred to CHC in 2013*

SPPC and WMPC are independent power producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC).

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

Status of Operations

MPC. CHC organized and incorporated MPC on July 13, 2010 as 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 assigns 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. MPC entered into Power Supply 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. The rehabilitation of the additional 5 MW was completed in January 2014 and operations started in March 2014.

Sarangani. CHC organized Sarangani on October 15, 2010, as wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigns 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 - net" in the 2012 consolidated statement of income (see Note 28) in the Audited Financial Statements in 2013.

Sarangani has obtained a ₱9.3 billion project financing facility from syndicate of domestic banks on December 12, 2012. The notice to proceed to commence the relevant sub-contract works in accordance with the Engineering Procurement Construction Contract was issued to Daelim Industries, Inc. of Korea on December 28, 2012. Commercial operation is expected to commence in August 2015.

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. As at June 30, 2014, Siguil and Kalaong have not started commercial operations.

SRPI. The Parent Company organized and incorporated SRPI on July 22, 2011, as 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. As at June 30, 2014, SRPI has not started commercial operations.

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. KAED has not 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 cast significant doubt about MADE's ability to continue operating as a going concern. As of March 31, 2014, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACRMC. In 2007, the Parent Company infused capital in ACRMC amounting to P195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), an affiliate, 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. As of June 2014, ACRMC has not yet started commercial 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.

2. Basis of Preparation and Changes to the Group's Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as at June 30, 2014 and for the Six-month periods ended June 30, 2014 and 2013 have been prepared in accordance with Philippine Accounting Standard (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 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 U.S. dollar. All values are rounded off to the nearest Philippine peso, except when otherwise indicated.

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, 2013.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and the subsidiaries it controls (see Note 1).

New Standards, Interpretations and Amendments thereof, Adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended December 31, 2013.

New Standards Issued

The Group adopted these standards as they become effective. There is no significant impact from the adoption of the standards on its financial position or performance unless otherwise stated.

- PFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*, will become effective for annual periods beginning on or after January 1,

2013. These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement,' irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

- (a) The gross amounts of those recognized financial assets and recognized financial liabilities;
- (b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
- (c) The net amounts presented in the statement of financial position;
- (d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. Amounts related to financial collateral (including cash collateral); and
- (e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

- PFRS 10, *Consolidated Financial Statements*, will become effective for annual periods beginning on or after January 1, 2013. PFRS 10 replaces the portion of *PAS 27, Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. PFRS 10 defines control as when an investor 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. A reassessment of control was performed by the Group on all its subsidiaries in accordance with the provisions of PFRS 10. Following the reassessment, the Group determined that it has no subsidiaries where the Group has lost its control or new control was gained over previously accounted associates
- PFRS 9, *Financial Instruments: Classification and Measurement*, will become effective for annual periods beginning on or after January 1, 2015. PFRS 9 reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed. The completion of this project is expected on the first half of 2012. 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 classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.
- PFRS 11, *Joint Arrangements*, will become effective for annual periods beginning on or after January 1, 2013. PFRS 11 replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. PFRS 11 describes the accounting for a joint arrangement which is defined as a contractual arrangement over which two or more parties have joint control. The standard requires a joint arrangement to be classified as either a joint operation or a joint venture, based on the contractual rights and obligations of that joint arrangement. The standard removes

the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group is currently assessing the impact of this standard on its financial position and performance.

- PFRS 12, *Disclosures of Interests in Other Entities*, will become effective for annual periods beginning on or after January 1, 2013. This standard includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group expects that this new standard will have no significant effect on its financial position or performance.
- PFRS 13, *Fair Value Measurement*, will become effective for annual periods beginning on or after January 1, 2013. PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. The Group is currently assessing the impact of this standard on its financial position and performance.
- PAS 1, *Financial Statement Presentation – Presentation of Items of Other Comprehensive Income*, will become effective for annual periods beginning on or after July 1, 2012. The amendments to PAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Group's financial position or performance.
- PAS 12, *Income Taxes (Amendment) - Deferred Tax: Recovery of Underlying Assets*, will become effective for annual periods beginning on or after January 1, 2012. The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40, *Investment Property*, should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in PAS 16 always be measured on a sale basis of the asset.
- PAS 19, *Employee Benefits (Amendment)*, will become effective for annual periods beginning on or after January 1, 2013. Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group does not expect this amendment to have any significant impact on its financial position or performance.
- PAS 27, *Separate Financial Statements (as revised in 2011)*, will become effective for annual periods beginning on or after January 1, 2013. As a consequence of the new PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Group does not expect this revised standard to have any significant impact on its financial position or performance.

- PAS 28, *Investments in Associates and Joint Ventures (as revised in 2011)*, will become effective for annual periods beginning on or after January 1, 2013. As a consequence of the new PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.
- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities*, will become effective for annual periods beginning on or after January 1, 2014. These amendments to PAS 32 clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to PAS 32 are to be applied retrospectively. The Group is currently assessing impact of the amendments to PAS 32.
- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*. This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contracts qualify as construction contract under PAS 11, *Construction Contracts*, or involve rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The Philippine SEC deferred its implementation until the final Revenue Standard is issued by the International Accounting Standards Board (IASB) and after an evaluation on the requirements and guidance in the said interpretation vis-à-vis the practices and regulations in the Philippines real estate industry is completed.
- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, will become effective for annual periods beginning on or after January 1, 2013. This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”) and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset.

3. Segment Information

The Group conducts majority of its business activities in two major business segments: (1) Power and (2) Real Estate. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as "Product Distribution and Others."

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

Six Months Ended June 30, 2014 (Unaudited)						
	Power	Real Estate	Other Investments	Total	Adjustments And Eliminations	Consolidated
Earnings Information						
Revenues						
External customer	P2,573,252,261	P4,403,793	P-	P2,577,656,054	P-	P2,577,656,054
Inter-segment	-	-	463,195,200	463,195,200	(463,195,200)	-
Total revenues	2,573,252,261	4,403,793	463,195,200	3,040,851,254	(463,195,200)	2,577,656,054
Interest expense	(42,464,363)	(2,293,907)	(79,961,378)	(124,719,648)	-	(124,719,648)
Interest income	10,104,267	266,120	75,571	10,445,958	-	10,445,958
Provision for income tax	147,960,566	12,503	-	147,973,069	-	147,973,069
Net income	533,000,848	(35,220,235)	386,436,574	884,217,187	(463,195,200)	421,021,987

Six Months Ended June 30, 2013 (Unaudited)						
	Power	Real Estate	Product Distribution and Others	Total	Adjustments And Eliminations	Consolidated
Earnings Information						
Revenues						
External customer	P 1,201,111,190	P 474,422,372	P-	P1,675,533,562	P-	P 1,675,533,562
Inter-segment	-	-	417,286,012	417,286,012	(417,286,012)	-
Total revenues	1,201,111,190	474,422,372	417,286,012	2,092,819,574	(417,286,012)	1,675,533,562
Interest expense	(19,097,751)	(3,407,570)	(59,732,788)	(82,033,289)	-	(82,033,289)
Interest income	18,933,016	1,180,513	4,212,817	24,326,346	-	24,326,346
Provision for income tax	131,771,386	6,323,214	-	138,094,600	94,181	138,188,781
Net income	511,405,570	75,856,885	439,562,269	1,026,824,724	(513,015,149)	513,809,574

4. Cash and Cash Equivalents

For the purpose of the interim consolidated statements of cash flows, cash and cash equivalents are comprised of the following:

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Cash on hand	P 470,754	P484,496
Cash in banks	4,781,161,782	1,421,878,289
	P 4,781,632,536	P1,422,362,785

5. Trade and Other Receivables

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Trade		
Power	₱649,069,121	₱610,424,604
Real estate	257,063,713	257,194,970
Product distribution and others	31,730,458	31,730,458
Due from related parties (see Note 14)	3,203,990,016	3,208,014,358
Retention receivable	117,908,545	162,300,000
Accrued interest	736,666	265,258
Others (see Note 7)	162,158,608	148,318,954
	4,422,657,127	4,418,248,632
Less allowance for doubtful accounts	(100,117,449)	98,299,163
	₱4,322,539,678	₱4,319,949,469

6. Real Estate Inventories and Investments in Real Estate

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Real estate inventories:		
Eagle Ridge Project (General Trias, Cavite)	₱623,563,443	₱623,563,443
Campo Verde Project ((Lipa and Malvar, Batangas)	25,852,852	25,852,852
	₱649,416,295	₱649,416,295

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Investments in real estate:		
CASI Property (Lanang, Davao City)	₱1,226,174,500	₱1,226,174,500
ALC Property (Pasong Tamo)	131,312,070	131,312,070
Batangas Project (Lipa and Malvar, Batangas)	114,883,497	115,087,360
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱1,477,056,003	₱1,477,259,866

On December 27, 2011, the BOD of ACR approved the acquisition of 72% of the outstanding shares of C. Alcantara & Sons, Inc. (CASI) from Alsons Corporation (Alcorp), in behalf of Aldevinco, and Aldevinco, stockholders of ACR, at a consideration of ₱1,226 million. The number of shares acquired consists of 2,000,000 common and 344,498 preferred CASI shares valued at ₱1,048 million and ₱178 million, respectively. The transaction value 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. The acquisition also caused the reduction of ACR's receivables from Aldevinco equivalent to ₱1,226 million.

On December 29, 2011, a Memorandum of Agreement (MOA) was made and executed by ACR and Aldevinco with the following salient features:

- a. ACR has limited rights as shareholder having a sole interest in CASI is its right to receive in full, as a return of capital, the Lanang landholdings. 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.
- b. ACR will create a voting trust that confers upon Aldevinco, as trustee, the right to vote and any all rights pertaining to the CASI shares owned by ACR.

ACR, having a sole interest in Lanang property and lost its power to participate in the financial and operating policy decisions of CASI by assigning its voting rights to Aldevinco, does not include the assets and liabilities of CASI in the consolidated financial statements but recognizes only its investment in CASI as investment in real estate representing CASI's Lanang property.

7. Goodwill

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

The carrying amount of goodwill allocated to SPPC and WMPC amounted to ₱1,005 million as at June 30, 2014 and ₱982 million as at December 31, 2013.

The movement during the three month period ended June 30, 2014 is due to the effect of foreign exchange rate changes 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 of Philippine peso.

Goodwill is subject to annual impairment testing which is performed by management at every December 31st or whenever indicators of impairment are present. The recoverable amount of the operations of SPPC and WMPC have been determined based on value in use calculating using the cash flow projections based on financial budgets approved by management.

As at June 30, 2014, management concludes that there are no indicators of impairment that could result in the impairment of goodwill.

8. Other Noncurrent Assets

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Deferred project costs	₱242,508,069	₱209,571,818
Mining rights	195,000,000	195,000,000
Deferred financing cost	-	167,475,759
Deposits	30,340,000	28,500,000
Computer software	14,035,356	16,001,808
Others	1,100,553	8,002,673
	₱482,983,978	₱624,572,058

Mining rights

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 June 30, 2014 and December 31, 2013, the participating interests of ACRMC and SECO in the Joint Venture are 75% and 25%, respectively.

Deferred Project Costs

Deferred project costs are expenses incurred by the Group on the following ongoing projects:

SM 200. SM 200 is a coal-fired power plant project with a 200MW capacity in Maasim, Sarangani. The SM 200 project is embedded within the franchise area of SOCOTECO2. In 2009, the Department of Energy (DOE) and the Department of Environment and Natural Resources approved the ECC application for the SM 200 project. The ECC is a requirement for the start of construction of the project. Construction of Phase I of SM 200 commenced in July 2012. Completion is expected in August 2015 while SM 200 Phase II will follow a year later.

ZAM 100. ZAM 100 is a coal-fired power plant project with a 100MW capacity in San Ramon, Zamboanga City. ZAM 100 received its ECC approval on March 20, 2012. The plant will be embedded the franchise area of Zamboanga City Electric Cooperative, Inc. to take advantage of eliminating the transmission charges of National Grid Corporation of the Philippines (NGCP). As at June 30, 2014 and December 31, 2013, costs incurred for this project amounted to ₱212 million and ₱188 million, respectively.

Mapalad. Mapalad was formerly the 100MW Iligan Diesel Power Plant (IDPP) that was constructed in 1993 and operated under the NMPC until the turnover to NPC of NMPC-1 in 2003, and NMPC-2 in 2006. After the turnover, NPC failed to pay the local government real property taxes. City officials subsequently auctioned off the diesel plant; however, the process failed due to the absence of more than one qualified bidder. ACR submitted a price proposal after the city declared the Iligan plant would be disposed on a negotiated-sale basis. A deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. As at December 31, 2013, costs incurred for this project amounted to ₱633 million.

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.

Others. Other project costs include deferred exploration costs incurred by ACRMC for the mineral deposits in the Manat Claims. As at June 2014, the Manat MPSA is still in the exploration phase of development.

9. Accounts Payable and Other Current Liabilities

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
Trade	₱424,691,171	₱511,255,472
Nontrade:		
Advances from projects and others	247,677,295	104,382,289
Commissions payable	9,747,057	9,747,057
Output tax payable	92,862,027	54,079,079
Advances from customers	26,548,073	25,525,647
Accrued interest	140,035,946	86,647,869
Accrued vacation and sick leave benefits	-	26,267,188
Other current liabilities	-	59,832,175
	₱941,561,569	₱877,737,772

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

Nontrade, advances from customers and other current liabilities are noninterest-bearing and have an average term of 30 days.

10. Equity

Capital Stock

	June 30, 2014 (Unaudited)		December 31, 2013 (Audited)	
Authorized	No. of shares	Amount	No. of shares	Amount
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		55,000,000		55,000,000
Subscription receivable		(37,216,667)		(37,216,667)
		₱6,309,283,333		6,309,283,333

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.
- 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.

On February 4, 2013, Alsons Corporation 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, Alsons Corporation paid ₱13,750,000 for the 25% subscription price of ₱55,000,000.

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

Date of SEC Approval	Authorized Shares	No. Of Shares Issued	Issue/Offer Price
1993	12,000,000,000	6,291,500,000	₱1

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
SM 200 1 & 2	Phase 1 of the 205 MW coal-fired power plant in Maasim Sarangani	₱400	2015
ZAM 100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
IDPP 1 & 2	Rehabilitation of 103 MW diesel plant in Iligan City	200	2013
Siguil	Hydro-electric power plant in Maasim, Sarangani	35	2017
Bago	Hydro-electric power plant in Negros Occidental	15	2019
SMI 400	400 MW coal-fired power plant facility in Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

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

Project Name	Nature/Project Description	Amount (in Millions)	Timeline
SM 200 1 & 2	Phase 1 of the 205 MW coal-fired power plant in Maasim Sarangani	₱600	2015
ZAM 100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	150	2016
Siguil	Hydro-electric power plant in Maasim, Sarangani	35	2017
Bago	Hydro-electric power plant in Negros Occidental	15	2019
SMI 400	400 MW coal-fired power plant facility in Tampakan copper-gold mine in South Cotabato	50	2019
		₱850	

The ₱200 million previously appropriated to IDPP 1 & 2 in 2012 has been reallocated to SM200 Phase 2.

Retained earnings are restricted from being declared as dividend to the extent of the appropriation for equity 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, ₱0.010 per share equivalent to ₱63 million in 2012 payable to all stockholders are as follow:

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
2012	May 20, 2012	May 18, 2012	June 14, 2012

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱497 million in 2013.

Dividends on preferred shares amounting to ₱4 million in 2013 were applied against the Company's subscription receivable from Alcorp.

11. Earnings Per Share Attributable to Equity Holders of the Parent Company

Earnings Per Share

	Six Months Ended June 30,	
	2014 (Unaudited)	2013 (Unaudited)
Net income attributable to equity holders of the Parent Company	₱215,861,234	₱174,929,686
Divided by the average number of shares outstanding for the year	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.34	₱0.028

12. Income Tax

The major components of income tax expense in the consolidated statements of income for the period ended June 30, 2014 and 2013 are as follows:

	2014	2013
Current income tax expense	₱156,491,381	₱132,565,544
Deferred income tax expense (benefit) related to origination and reversal of deferred taxes	(8,518,312)	(659,475)
	₱147,973,069	₱131,906,069

13. 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 and loans and borrowings. 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 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).

The management reviews and BOD approves policies for managing each of these risks and they 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.

With respect to credit risk arising from the 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 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 table below summarizes the maturity profile of the Group's financial assets (held for liquidity purposes) and financial liabilities based on contractual undiscounted payments:

June 30, 2014					
	On Demand	< 1 Year	1-3 Years	> 3 Years	Total
Cash and cash equivalents	P4,781,632,536	P-	P-	P-	P4,781,632,536
Short-term cash investments*	-	547,830,781	-	-	547,830,781
Trade receivables	-	936,863,292	9,756,899	-	946,620,191
AFS financial assets	83,892,825	-	-	-	83,892,825
	P4,865,525,361	P1,484,694,073	P9,756,899	P-	P6,359,976,333

December 31, 2013					
	On Demand	< 1 Year	1-3 Years	> 3 Years	Total
Cash and cash equivalents	P1,422,362,785	P-	P-	P-	P1,422,362,785
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
	P1,478,225,477	P816,830,133	P9,756,899	P-	P2,304,812,509

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. 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 33:66 as of December 31, 2013.

The following tables set out the carrying amounts, by maturity, of the Group's interest-bearing financial obligations with floating interest rate:

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 +2.25%	Quarterly	P314,993,095	P373,657,917	P-	P688,651,012
Peso-denominated borrowings	91 T-bill +3%	Quarterly	-	-	-	-

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 stocks. The Group's exposure to equity price risk relates primarily to the Group's quoted AFS investments. 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.

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.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the Philippine peso to U.S. dollar exchange rates used was ₱44.493 and ₱43.84 to US\$1.0, for June 30, 2014 and December 31, 2013, respectively.

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 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 adjustment.

The Group's current ratio and debt-to-equity ratio as of June 30, 2014 and December 31, 2013 follow:

Current Ratio

	2014	2013
Current assets	₱ 10,821,278,660	₱6,841,108,393
Current liabilities	3,129,041,024	2,264,922,428
	3.5 :1	3.0:1

Debt-to-Equity Ratio

	2014	2013
Loans payable	₱785,232,528	₱794,366,639
Long-term debt (net of unamortized transaction costs)	11,512,443,844	5,190,495,041
Total debt	12,297,676,372	5,984,861,680
Equity	10,370,151,441	10,066,497,411
Other reserves	(218,167,710)	(175,793,633)
Cumulative translation adjustment	(1,721,117,533)	(1,575,034,794)
Total equity	₱8,430,866,198	₱8,315,668,964
	1.46:1	0.72:1

14. Financial Instruments

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

During the six-month period ended June 30, 2014, 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, 2014 and for the Six-Month Periods Ended June 30, 2014 and 2013 (with Comparative Audited Consolidated Balance Sheet as of December 31, 2013).

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 three months ended March 31, 2014 and 2013. (Amounts in million pesos, except ratios)

Financial KPI	Definition	June 30	
		2014	2013 (As restated)
<u>Profitability</u>			
REVENUES		P2,578	P1,208
EBITDA		1,083	975
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	42%	81%
Return on Equity	$\frac{\text{Net Income}}{\text{Total Average Stockholders' Equity}}$	4%	5%
NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS		216	175
<u>Efficiency</u>			
Operating Expense Ratio	$\frac{\text{Operating Expenses}}{\text{Gross Operating Income}}$	31%	22%
<u>Liquidity</u>			
Net Debt Coverage	$\frac{\text{Cash Flow from Operating Activities}}{\text{Net Financial Debt}}$	11%	32%
CURRENT RATIO	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	3.46:1	3.30:1
DEBT-TO-EQUITY RATIO		1.19:1	0.56:1
Asset-to-equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.65:1	1.62:1
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Expense}}$	5.47:1	7.59:1

Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased to 42% from 81% in the same period last year due mainly to improved revenues. Return on equity (ROE) slightly declined to 4% from 5% due to lower EBITDA Margins for 2014.

Efficiency

The full operations of the Company's wholly-owned subsidiary MPC's 103 MW plants, was the main contributor of the upsurge in revenues from ₦1,208 million in 2013 to ₦2,578 billion in 2014. Operating expense ratio in 2014 also increased to 31% from 22% in 2013.

ACR's cash flows from operations this year decreased to ₦806 million from last year's ₦1,163 million resulting from higher payment of prepaid expenses. Debt coverage ratio decreased to 11% from 32% in 2013 due to the drawdown of the project loan for SEC, while current ratio improved to 3.46:1 from to last year's 3.30:1 resulting from higher cash and cash equivalents this year.

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 the company generated significant rise in revenues from ₱1,208 million in 2013 to ₱2,578 million this year. The growth was due mainly to the revenue contribution of MPC which includes the cost of fuel – a pass thru item. ACR's net income attributable to the parent posted a 23% surge during the six-month period from ₱175 Million in 2013 to ₱216 Million in 2014, in spite of the disposal of the Company's majority stake in Lima Land in October 2013.

Cost of goods sold also increase from ₱516 million to ₱1,726 million, 235% higher than last year. The increase is primarily due to the pass-on fuel costs of MPC. Consequently, gross profit margin decreased to 33% from last year's 57%.

General and administrative expenses increased 59% from ₱125 million to ₱199 million; this is due primarily to the expenses of MPC during the period compared to ₱3 million incurred in 2013.

Net finance charges this year was at ₱127 million compared to last year's ₱58 million. This is due to higher interest expense resulting from the availment of project loans of the Parent Company and MPC.

Other income amounted to ₱43 million in 2014, 21% lower than last year's ₱55 million due mainly to the lower VAT income recognized during the period.

ACR's net income before tax was slightly better at ₱569 million in 2014 compared with the ₱564 million reported in 2013. Provision for income tax was likewise higher this year at ₱147 million from ₱132 million in 2013 due to higher taxable income in 2014.

The consolidated net income for the period was 11% lower at ₱421 million from ₱514 million in 2013 as the previous year's figure 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.

REVIEW OF FINANCIAL POSITION

ACR and Subsidiaries posted total assets of ₱25.70 billion, 43% higher than the ₱17.96 billion at the end of 2013.

Current assets increased 58% from ₱6.84 billion to ₱10.82 billion brought about by the increased in cash and cash equivalents, temporary placements, spare parts and supplies and prepaid expenses. The significant increases in cash and cash equivalents and temporary placements were due to timing of usage of the cash drawn from project loan facility of Sarangani Energy during the period, while the increase in prepaid expenses was due to additional input taxes incurred during the period.

Non-current assets also increased 34% from ₱11.12 billion to ₱14.87 billion. This is due largely to the 58% increase in property, plant and equipment incurred in the on-going construction of SEC plant during the period.

Total liabilities amounted to ₱14.78 billion, 97% higher than the ₱7.52 billion reported at the end of 2013. The drawdown of the project loan of SEC and the unpaid dividend led to the increase in total liabilities.

As of June 30, 2014, ACR's current ratio increased from 3.30:1 to 3.46:1 and its debt to equity ratio increased to 1.19:1 from 0.56:1 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 June 30, 2014 compared to December 31, 2013 are as follows:

a) **Cash and Cash Equivalents**

And Short-term Cash Investments – Increased 272%

The increase is due mainly to the timing of usage of cash drawn from the project loan of Sarangani Energy and additional placements made by the power companies during the period.

b) **Spare Parts and Supplies** – Increased 7%

The increase is due mainly to the spare parts purchases by MPC during the period.

c) **Prepaid Expenses and Other Current Assets** – Increased 28%.

The increase was due largely to the additional prepaid insurance and input taxes incurred during the period.

d) **Property, Plant and Equipment** – Increased 58%

The increase was due to the on-going construction of first phase of SEC plant which is due to begin commercial operations in 2015.

- e) **AFS Financial Assets** – Increased 50%
The increase was due to the appreciation in the market value of these financial assets.
- f) **Retirement Plan Assets** – Decreased 15%
The decline is primarily due to the forex adjustment on Plan Assets
- g) **Other Noncurrent Assets** – Decreased 23%
The decrease was due mainly to the reclassification of deferred project cost to construction-in-progress during the period.
- h) **Accounts Payable and Accrued Expenses** – Increased 7%
The timing of payments of trade payables led to the decrease in this account during the period.
- i) **Income Tax Payable** – Decreased 35%
Timing of payments of income tax payable caused the increased of this account.
- j) **Current Portion and Long-term Debt** – Decreased 14%
The decrease in this account was due to the amortization of maturing debts during the period.
- k) **Dividends Payable** – Increased 100%
The dividends payable declared by SPPC, WMPC and the Parent Company resulted to the increase in this account during the period.
- l) **Long-term Debt – net of Current Portion** – Increased 135%
The increase was due mainly to the additional cash drawn from SEC project loan that remain unused during the period ended June 30, 2014.
- m) **Other Reserves** – Increased 24%.
The increase was due to the appreciation in the market value of AFS financial assets.
- n) **Cumulative Translation Adjustments** – Increased 9%.
The increase was due to the translations of the US Dollar Functional Currency Financial Statements of the power company subsidiaries using the current exchange rate as of the end of June 30, 2014.
- o) **Noncontrolling Interest** – Increased 45%
The increase was due to its share in the income 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. 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.

The Company has no other material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the period that is not included in the financial statements.

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, 2013.
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, 2014 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, 2013.
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. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources for such expenditures.

May 24, 2012, ACR or the Parent Company entered into a US\$65 million Loan Facility Agreement with APHC to contribute equity for the construction of the Sarangani Project (see Note 1). The loan bears 6% interest payable semi-annually starting 6 months from the initial drawdown date up to maturity date of the loan. 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. As at June 30, 2014, the Parent Company assessed that the commercial operation date of Sarangani will be the earliest among the three dates. Commercial operation date 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 ACR; (ii) initial public offering or trade sale of the investee companies of ACR, which shall include Sarangani or any investee that may in the future, be created or owned by ACR; or (iii) dividends are received by ACR from the investee companies mentioned in (ii), unless APHC may allow ACR to use dividends received by it to service its existing loan obligations, instead of a mandatory prepayment on the loans in this Agreement.
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 :



TIRSO G. SANTILLAN, JR.

Executive Vice-President & COO

Date:

8/12/14



LUIS R. YMSON, JR.

Chief Financial Officer

Date:

8/12/14

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	649,069,121	390,917,672	137,715,302	4,822,776	4,954,722	110,658,649	9,078,114	226,602,949	-
2 Real Estate	248,620,564	316,881	1,492,394	1,232,843	5,378,043	4,519,340	1,710,732	3,175,891	-
3 Rental	8,443,149	435,932	789,156	476,992	656,561	1,197,885		31,730,458	-
4 Plywood Hardiflex, agri & Ind'l	31,730,458								-
Subtotal	937,863,292	391,670,485	139,996,852	6,532,611	10,989,326	116,375,874	10,788,846	261,509,298	-
Less: Allow. For Doubtful Accounts	66,745,958							66,745,958	-
Net Trade Receivables	871,117,334	391,670,485	139,996,852	6,532,611	10,989,326	116,375,874	10,788,846	194,763,340	-
b) Accounts Receivable – Others									
1 Advances affiliates/project developer/joint venture	3,203,990,016	52,442,637	16,856,737	173,034,114	221,247,980	5,913,630	285,625,640	2,448,869,278	-
2 Advances contractors and suppliers	18,824,595	8,588,268	3,917,455	196,228	38,886	76,261	528,603	5,478,894	-
3 Accrued Interest	736,666	736,666	-	-	-	-	-	-	-
4 Advances officers & employees	11,225,892	617,058	716,401	1,697,253	5,194,981	2,337,737	583,533	78,928	-
5 Miscellaneous and other receivables	250,016,666	72,840,814	11,875,825	14,869,800	118,476,711	7,721,312	1,219,049	23,013,154	-
Total Accounts Receivable – Others	3,484,793,835	135,225,443	33,366,419	189,797,395	344,958,559	16,048,939	287,956,825	2,477,440,254	-
Less: Allow. For Doubtful Accounts	33,371,491	-	-	-	-	-	-	33,371,491	-
ACCOUNTS RECEIVABLE-NET (a + b)	3,451,422,344	135,225,443	33,366,419	189,797,395	344,958,559	16,048,939	254,585,334	2,444,069,763	-
	4,322,539,678	526,895,928	173,363,271	196,330,006	355,947,885	132,424,813	265,374,180	2,638,832,103	-

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 routine inter-company transactions.	30 days – 2 years

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
Supplementary Schedules
As of June 30, 2014

Attachment B

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	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						
PDIC	-	10,750,000	Fixed 6%	Quarterly	30. Sep. 2015	27,699,000
UCPB	-	-	Fixed 4.44%	Semi-Annual	30. Jul. 2017	476,237,234
Alsons Power Holdings Corp.	785,232,528	-	Fixed 6%			1,155,677,391
Southern Philippines Power Corp.						
Development Bank of the Phils.	-	55,486,553	Fixed 2.25%	Quarterly	15. Jul. 2016	70,265,065
Development Bank of the Phils.	-	28,331,277	Fixed 3.57%	Quarterly	15. Jul. 2016	36,043,643
Western Mindanao Power Corp.						
Union Bank of the Philippines	-	24,884,769	Fixed 2.25%	Quarterly	14. Aug. 2015	6,244,574
Union Bank of the Philippines	-	199,494,777	Fixed 3.375%	Semi-Annual	15. Aug. 2015	99,938,446
Sarangani Energy Corp.						
Banco de Oro	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	4,577,170,830
RCBC	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	897,484,477
UCPB	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	897,484,477
Asia United Bank	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	1,346,226,715
Philippine Business Bank	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	448,742,238
Planters Development Bank	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	89,748,448
Robinson Savings Bank	-	-	Fixed 8.06%	Semi-Annual	19. Oct. 2026	89,748,450
Mapalad Power Corporation						
Banco de Oro	-	-	Fixed 6.25%	Semi-Annual	15. Aug. 2019	835,415,322
Alsons Land Corporation						
Security Bank Corporation	-	32,080,000	Fixed 5%	Quarterly	2. Nov. 2015	37,524,035
Market Developers, Inc.						
Security Bank Corporation	-	15,060,000	Fixed 5%	Quarterly	2. Nov. 2015	53,706,125
TOTAL	785,232,528	367,087,375				11,145,356,468

Alsons Consolidated Resources, Inc. and Subsidiaries
Schedule of Financial Soundness

Attachment C

Financial KPI	Definition	Six Months Period Ended June 30	
		2014	2013
Liquidity			
Current Ratio / Liquidity Ratio	Current Assets	3.46:1	3.30:1
	Current Liabilities		
Solvency			
Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable+Derivative Liability	1.19:1	0.56:1
	(Capital Stock+Other Reserves+Cumulative Transalation Adjustments+RE)		
Interest Rate Coverage Ratio			
Interest Rate Coverage Ratio	Earnings Before Interest and Taxes	5.47:1	7.59:1
	Interest Expense		
Profitability Ratio			
Return on Equity	Net Income	4%	5%
	Total Average Stockholders' Equity		
Asset-to-Equity Ratio			
Asset-to-Equity Ratio	Total Assets	1.65:1	1.62.:1
	Total Equity		