



108142012001679

## SECURITIES AND EXCHANGE COMMISSION



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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 2012
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  
Common Stock P 1.00 par value Outstanding and Amount of Debt Outstanding  
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, 2012 and for the Six-Month Periods Ended  
June 30, 2012 and 2011  
*(With Comparative Audited Consolidated Balance Sheet  
as at December 31, 2011)*

**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**

**INTERIM CONSOLIDATED BALANCE SHEET**

**JUNE 30, 2012**

(With Comparative Audited Figures as at December 31, 2011)

|   | June 30,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|---|---------------------------------|-----------------------------------|
| <b>ASSETS</b>   |                                 |                                   |
| <b>Current Assets</b>                                       |                                 |                                   |
| Cash and cash equivalents (Note 4)                          | ₱ 578,802,630                   | ₱453,177,125                      |
| Short-term cash investments                                 | 1,148,643,648                   | 776,046,934                       |
| Trade and other receivables (Note 5)                        | 2,596,253,112                   | 2,942,202,452                     |
| Inventories   | 134,258,812                     | 144,184,895                       |
| Real estate inventories (Note 6)                            | 780,014,636                     | 796,235,647                       |
| Prepaid expenses and other current assets                   | 138,246,339                     | 132,001,750                       |
| Total Current Assets  | <b>5,376,219,177</b>            | <b>5,243,848,803</b>              |
| <b>Noncurrent Assets</b>                                    |                                 |                                   |
| Noncurrent portion of installment receivables               | 9,448,140                       | 10,051,213                        |
| Investments in real estate (Note 6)                         | 2,392,167,310                   | 2,373,689,798                     |
| Investments in associates                                   | 1,362,930,089                   | 1,362,930,089                     |
| Property, plant and equipment                               | 2,807,013,769                   | 2,937,879,296                     |
| Available-for-sale financial assets                         | 63,304,804                      | 46,374,762                        |
| Goodwill (Note 7)   | 957,302,703                     | 983,029,619                       |
| Retirement assets   | 69,266,271                      | 68,935,253                        |
| Deferred tax assets – net                                   | 5,939,601                       | 6,323,800                         |
| Other noncurrent assets (Note 8)                            | 1,015,197,508                   | 958,449,310                       |
| Total Noncurrent Assets                                     | <b>8,682,570,195</b>            | <b>8,747,663,140</b>              |
|   | <b>₱ 14,058,789,372</b>         | <b>₱13,991,511,943</b>            |
| <b>LIABILITIES AND EQUITY</b>                               |                                 |                                   |
| <b>Current Liabilities</b>                                  |                                 |                                   |
| Accounts payable and other current liabilities (Note 9)     | ₱ 492,621,649                   | ₱415,441,324                      |
| Dividends payable   | 691,353,988                     | -                                 |
| Loans payable   | 2,599,595                       | 10,156,855                        |
| Income tax payable  | 63,859,093                      | 64,358,347                        |
| Current portion of long-term debt                           | 402,482,970                     | 258,134,367                       |
| Total Current Liabilities                                   | <b>1,652,917,295</b>            | <b>748,090,893</b>                |
| <b>Noncurrent Liabilities</b>                               |                                 |                                   |
| Long-term debt - net of current portion (Notes 6, 7 and 12) | 1,426,229,268                   | 777,633,622                       |
| Deferred tax liabilities - net (Note 15)                    | 389,901,785                     | 403,453,737                       |
| Retirement payable  | 23,387,241                      | 23,319,673                        |
| Customers' deposits   | 105,656,551                     | 50,423,523                        |
| Asset retirement obligation (Note 13)                       | 63,639,759                      | 62,225,406                        |
| Other noncurrent liabilities                                | 7,059,717                       | 7,059,717                         |
| Total Noncurrent Liabilities                                | <b>2,015,874,321</b>            | <b>1,324,115,678</b>              |
| Total Liabilities   | <b>3,668,791,616</b>            | <b>2,072,206,571</b>              |
| <b>Equity (Note 10)</b>                                     |                                 |                                   |
| Capital stock   | 6,291,500,000                   | 6,291,500,000                     |
| Other reserves  | 31,171,077                      | 22,417,458                        |
| Cumulative translation adjustment                           | 1,154,636,429                   | 1,254,366,627                     |
| Retained earnings   | 1,308,701,550                   | 1,208,306,857                     |
| Attributable to owners of the parent                        | 8,786,009,056                   | 8,776,590,942                     |
| Non-controlling interests                                   | 1,603,988,700                   | 3,142,714,430                     |
| Total Equity  | <b>10,389,997,756</b>           | <b>11,919,305,372</b>             |
|   | <b>₱ 14,058,789,372</b>         | <b>₱13,991,511,943</b>            |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

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

|  | <b>Six Months Ended June 30</b> |                      |
|--|---------------------------------|----------------------|
|  | <b>2012</b>                     | <b>2011</b>          |
|  | <b>Unaudited</b>                | <b>Unaudited</b>     |
| <b>REVENUE</b>   |                                 |                      |
| Energy fees  | ₱ 1,051,802,275                 | ₱ 1,017,371,452      |
| Power sales and service income   | 390,903,266                     | 316,672,573          |
| Sale of real estate  | 19,377,828                      | 13,180,241           |
| Management fees  | 16,147,253                      | 9,461,929            |
| Rental income and others   | 16,338,091                      | 11,466,731           |
|  | <b>1,494,568,713</b>            | <b>1,368,152,926</b> |
| <b>INCOME (EXPENSES)</b>   |                                 |                      |
| Cost of goods and services   | (789,368,675)                   | (702,053,994)        |
| General and administrative expenses                                      | (173,121,224)                   | (148,868,069)        |
| Finance income (charges) - net   | (914,572)                       | 10,788,114           |
| Other income - net   | 83,634,774                      | 265,952,320          |
|  | <b>(879,769,697)</b>            | <b>(574,181,629)</b> |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>614,799,016</b>              | <b>793,971,297</b>   |
| <b>PROVISION FOR (BENEFIT FROM)<br/>INCOME TAX (Note 12)</b>             |                                 |                      |
| Current  | 135,664,928                     | 124,402,741          |
| Deferred   | (5,970,498)                     | (6,775,068)          |
|  | <b>129,694,430</b>              | <b>117,627,673</b>   |
| <b>NET INCOME</b>  | <b>₱ 485,104,586</b>            | <b>₱ 676,343,624</b> |
| Attributable to:   |                                 |                      |
| Owners of the parent (Note 10)   | ₱ 163,309,694                   | ₱ 288,993,316        |
| Non-controlling interests  | 321,794,892                     | 387,350,308          |
|  | <b>₱ 485,104,586</b>            | <b>₱ 676,343,624</b> |
| Basic/diluted earnings per share attributable to owners of<br>the parent | ₱ 0.026                         | ₱ 0.046              |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

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

|  | Six Months Ended June 30 |                      |
|--|--------------------------|----------------------|
|  | 2012<br>(Unaudited)      | 2011<br>(Unaudited)  |
| <b>NET INCOME FOR THE PERIOD</b>         | <b>₽ 485,104,586</b>     | <b>₽ 676,343,624</b> |
| <b>OTHER COMPREHENSIVE LOSS</b>          |                          |                      |
| Translation adjustments                  | 8,753,619                | (76,296,582)         |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS)</b> | <b>493,858,205</b>       | <b>676,343,624</b>   |
| Attributable to:                         |                          |                      |
| Owners of the parent                     | 172,063,313              | 258,285,086          |
| Non-controlling interests                | 321,794,892              | 387,350,308          |
|  | <b>493,858,206</b>       | <b>676,343,624</b>   |

*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, 2012 AND 2011**

| Attributable to Equity Holders of the Parent |                            |                          |  |                   |                                   |                                       |
|--|----------------------------|--------------------------|--|-------------------|-----------------------------------|---------------------------------------|
|  | Capital Stock<br>(Note 10) | Actuarial Gains (Losses) | Unrealized Gains (Losses)<br>on AFS Financial Assets | Retained Earnings | Cumulative Translation Adjustment | Non-controlling Interests<br>(Note 1) |
|  |                            |                          |  |                   | Total                             | Total                                 |
| Balance at January 1, 2012                   | ₱6,291,500,000             | ₱4,941,568               | ₱17,475,890  | ₱1,208,306,857    | ₱1,254,366,627                    | ₱8,776,590,942                        |
| Net income                                   | —                          | —                        | —  | 172,063,313       | —                                 | 172,063,313                           |
| Other comprehensive income                   | —                          | —                        | 8,753,619  | —                 | —                                 | 8,753,619                             |
| Total comprehensive income (loss)            | —                          | —                        | 8,753,619  | 172,063,313       | —                                 | 172,063,312                           |
| Redemption of preferred shares               | —                          | —                        | —  | —                 | (99,730,198)                      | (99,730,198)                          |
| Dividends                                    | —                          | —                        | —  | (62,915,000)      | (62,915,000)                      | (67,4053,164)                         |
| Balance at June 30, 2012                     | ₱6,291,500,000             | ₱4,941,568               | ₱11,171,077  | ₱1,308,701,550    | ₱1,154,636,429                    | ₱8,786,009,056                        |
| Balance at January 1, 2011                   | ₱6,291,500,000             | (₱3,892,053)             | ₱53,283,355  | ₱821,624,316      | ₱1,247,908,915                    | ₱8,415,424,533                        |
| Net income                                   | —                          | —                        | —  | 288,993,316       | —                                 | 288,993,316                           |
| Effect of change in accounting policy        | —                          | —                        | (30,708,230)   | —                 | (30,708,230)                      | (45,588,332)                          |
| Other comprehensive income (loss)            | —                          | —                        | —  | —                 | (20,684,738)                      | (20,684,738)                          |
| Total comprehensive income (loss)            | —                          | —                        | —  | 288,993,316       | (20,684,738)                      | 231,761,256                           |
| Dividends                                    | —                          | —                        | —  | (69,206,500)      | —                                 | (69,206,500)                          |
| Balance at June 30, 2011                     | ₱6,291,500,000             | (₱3,892,053)             | ₱27,575,125  | ₱1,041,411,132    | ₱1,227,224,177                    | ₱8,583,818,381                        |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

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

|  | <b>Six Months Ended June 30 30</b> |                    |
|--|------------------------------------|--------------------|
|  | <b>2012</b>                        | <b>2011</b>        |
|  | <b>(Unaudited)</b>                 | <b>(Unaudited)</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                                    |                    |
| Income before income tax                                     | ₱ 614,799,016                      | ₱ 676,343,624      |
| Adjustments for:   |                                    |                    |
| Depreciation and amortization                                | 302,155,006                        | 292,983,578        |
| Gain on settlement of debts                                  | -                                  | (57,519,783)       |
| Interest income  | (28,232,542)                       | (27,484,712)       |
| Finance charges  | 29,147,114                         | 18,004,120         |
| Retirement costs   | 67,568                             | 6,438,938          |
| Unrealized foreign exchange gain                             | (4,767,087)                        | -                  |
| Equity in net earnings of associates                         | -                                  | (1,265,270)        |
| Impairment loss on deferred project cost                     | 1,325,691                          | 814,756            |
| Impairment loss on property, plant and equipment<br>(Note 7) | -                                  | -                  |
| Loss on sale of property, plant and equipment                | -                                  | -                  |
| Operating income before working capital changes              | 914,494,766                        | 908,315,251        |
| Decrease (increase) in:                                      |                                    |                    |
| Trade and other receivables                                  | 64,277,223                         | 360,328,150        |
| Prepaid expenses and other current assets                    | (7,397,192)                        | (31,456,918)       |
| Inventories  | 7,522,800                          | 2,985,609          |
| Real estate inventories                                      | 35,103,473                         | 13,601,365         |
| Noncurrent portion of installment receivables                | -                                  | -                  |
| Increase (decrease) in:                                      |                                    |                    |
| Accounts payable and other current liabilities               | (161,059,118)                      | (130,174,992)      |
| Customers' deposits  | 63,446,363                         | 7,998,388          |
| Net cash flows from operations                               | 916,388,314                        | 1,131,596,853      |
| Retirement contributions                                     | (8,047,910)                        | (3,818,186)        |
| Income taxes paid  | (140,044,731)                      | (124,402,741)      |
| Net cash flows from (used in) operating activities           | 768,295,673                        | 1,003,375,926      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |                                    |                    |
| Decrease (increase) in:                                      |                                    |                    |
| Other noncurrent assets                                      | (58,073,889)                       | (48,404,137)       |
| Due from related parties                                     | 79,755,471                         | 101,989,023        |
| Short-term cash investments                                  | (378,743,690)                      | (246,862,476)      |
| Investments in real estate                                   | (18,477,512)                       | (1,619,613)        |
| Additions to property, plant and equipment (Note 7)          | (172,259,960)                      | (140,456,853)      |
| Interest received  | 34,379,518                         | 27,686,902         |
| Proceeds from disposal of property, plant and equipment      | 970,305                            | -                  |
| Net cash flows from (used in) investing activities           | (512,449,757)                      | (307,667,154)      |

(Forward)

|   | Six Months Ended June 30 |                      |
|---|--------------------------|----------------------|
|   | 2012<br>(Unaudited)      | 2011<br>(Unaudited)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                          |                      |
| Availment (payments) of:  |                          |                      |
| Dividend  | (62,915,000)             | (477,244,394)        |
| Redemption of preferred shares                                  | (674,053,164)            | —                    |
| Debts   | 792,944,249              | (141,283,717)        |
| Interest  | (179,981,407)            | (24,980,875)         |
| Net cash flows used in financing activities                     | <b>(131,562,582)</b>     | <b>(643,508,987)</b> |
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b> |                          |                      |
|   | 125,625,505              | 21,813,945           |
| <b>EFFECT OF FOREIGN EXCHANGE<br/>RATE CHANGES</b>              |                          |                      |
|   | 1,342,170                | (30,385,840)         |
| <b>CASH AND CASH EQUIVALENTS<br/>AT BEGINNING OF PERIOD</b>     |                          |                      |
|   | <b>453,177,125</b>       | <b>557,484,545</b>   |
| <b>CASH AND CASH EQUIVALENTS<br/>AT END OF PERIOD (Note 4)</b>  |                          |                      |
|   | <b>₱ 578,802,630</b>     | <b>₱ 579,298,490</b> |

*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 2281.

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, 2012           | December 31, 2011 | Direct | Indirect |
| Conal Holdings Corporation (CHC)                               | Investment holding            | 60.00                   | —                 | 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              | 100.00                  | —                 | 100.00 | —        |
| 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  | —        |
| Lima Land, Inc. (LLI)  | Real estate                   | —                       | 59.93             | —      | 59.93    |
| Isleworth Properties, Inc.***                                  | Real estate                   | —                       | —                 | —      | —        |
| Lima Utilities Corporation (LUC)                               | Power distribution            | —                       | 100.00            | —      | 100.00   |
| Lima Water Corporation (LWC)                                   | Water distribution            | —                       | 100.00            | —      | 100.00   |
| 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 through CHC in 2010 but were transferred to Parent Company in 2011

\*\*Newly incorporated in 2011

\*\*\*Merged with LLI on June 23, 2011

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

*KAED.* On September 3, 2010, the Parent Company incorporated Kamanga Agro-Industrial Ecozone Development Corporation 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 of March 2012, KAED has not started commercial operations.

*MPC and Sarangani.* CHC organized and incorporated MPC and Sarangani on July 13, 2010 and October 15, 2010, respectively, as wholly-owned subsidiaries to acquire, construct, commission and operate power-generating plants and related facilities for the generation of electricity. On June 27, 2011, ACR acquired full control of MPC and Sarangani through an agreement with CHC, wherein CHC assigns all shares of MPC and Sarangani to ACR. Also on the same date, CHC and ACR executed a deed of assignment of shares of Sarangani wherein the former conveys to the latter the titles, rights, interests and claims in the shares of Sarangani. As of March 31, 2012, MPC and Sarangani have 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 June 30, 2012, 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 ₱195 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 30, 2012, ACRMC has not yet started commercial operations.

*Sigil and Kalaong.* The Parent Company organized and incorporated Sigil and Kalaong on July 22, 2011 as wholly-owned subsidiaries. Sigil 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 of June 30, 2012, Sigil and Kalaong have not started commercial operations.

*ACES and SRPI.* The Parent Company organized and incorporated ACES and SRPI on July 7, 2011 and July 22, 2011, respectively, as wholly-owned subsidiaries. ACES and SRPI were incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. As of June 30, 2012, ACES and SRPI have not started commercial operations.

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## 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, 2012 and for the three-month periods ended June 30, 2012 and 2011 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, 2011.

### 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, 2011,

### Standards Issued but not yet Effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt these standards when they become effective. The Group expects 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.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

- 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 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. The Group is currently assessing the impact of this standard on its financial position and performance.
- 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, 2012 (Unaudited) |                |              |                                 |                |                              |                |
|--|----------------|--------------|---------------------------------|----------------|------------------------------|----------------|
|  | Power          | Real Estate  | Product Distribution and Others | Total          | Adjustments And Eliminations | Consolidated   |
| <b>Earnings Information</b>                |                |              |                                 |                |                              |                |
| Revenues                                   |                |              |                                 |                |                              |                |
| External customer                          | ₱1,067,949,528 | ₱426,619,185 | ₱-                              | ₱1,494,568,713 | ₱-                           | ₱1,494,568,713 |
| Inter-segment                              | -              | -            | 417,286,012                     | 417,286,012    | (417,286,012)                | -              |
| Total revenues                             | 1,067,949,528  | 426,619,185  | 417,286,012                     | 1,911,854,725  | (417,286,012)                | 1,494,568,713  |
| Interest expense                           | (22,951,009)   | (3,407,570)  | (2,778,634)                     | (26,077,213)   | -                            | (26,077,213)   |
| Interest income                            | 23,671,911     | 1,446,974    | 43,756                          | 25,162,641     | -                            | 25,162,641     |
| Provision for income tax                   | 125,182,476    | 4,511,954    | -                               | 129,694,430    | -                            | 129,694,430    |
| Net income                                 | 483,564,959    | 39,545,250   | 379,280,390                     | 902,390,599    | (417,286,012)                | 485,104,586    |

| Six Months Ended June 30, 2011 (Unaudited) |                |              |                                 |                |                              |                |
|--|----------------|--------------|---------------------------------|----------------|------------------------------|----------------|
|  | Power          | Real Estate  | Product Distribution and Others | Total          | Adjustments And Eliminations | Consolidated   |
| <b>Earnings Information</b>                |                |              |                                 |                |                              |                |
| Revenues                                   |                |              |                                 |                |                              |                |
| External customer                          | ₱1,026,833,381 | ₱341,319,545 | ₱-                              | ₱1,368,152,926 | ₱-                           | ₱1,368,152,926 |
| Inter-segment                              | -              | -            | 326,767,346                     | 326,767,346    | (326,767,346)                | -              |
| Total revenues                             | 1,026,833,381  | 341,319,545  | 326,767,346                     | 1,695,147,310  | (326,767,346)                | 1,368,152,926  |
| Interest expense                           | (7,862,581)    | (7,322,272)  | (218,243)                       | (15,403,659)   | (1,292,940)                  | (16,696,599)   |
| Interest income                            | 24,573,723     | 2,856,348    | 54,640                          | 27,484,711     | -                            | 27,484,711     |
| Provision for income tax                   | 119,337,367    | 3,426,294    | -                               | 122,763,661    | (5,135,988)                  | 117,627,672    |
| Net income                                 | 599,256,234    | 32,107,582   | 311,380,548                     | 942,744,364    | (266,400,740)                | 676,343,624    |

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#### 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,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|---------------------------|---------------------------------|-----------------------------------|
| Cash on hand and in banks | ₱152,912,571                    | ₱120,634,246                      |
| Short-term deposits       | 425,890,059                     | 332,542,879                       |
|                           | <b>₱578,802,630</b>             | <b>₱453,177,125</b>               |

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#### 5. Trade and Other Receivables

|  | June 30,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|--|---------------------------------|-----------------------------------|
| Trade                                  |                                 |                                   |
| Power                                  | ₱505,856,148                    | ₱522,701,316                      |
| Real estate                            | 340,272,926                     | 389,197,555                       |
| Product distribution and others        | 31,730,458                      | 31,730,458                        |
| Due from related parties (see Note 14) | 1,709,133,813                   | 1,991,409,003                     |
| Accrued interest                       | 1,940,225                       | 12,998,327                        |
| Others (see Note 7)                    | 120,767,309                     | 108,320,210                       |
|  | <b>2,709,700,879</b>            | <b>3,056,356,869</b>              |
| Less allowance for doubtful accounts   | 113,447,767                     | 114,154,417                       |
|  | <b>₱2,596,253,112</b>           | <b>₱2,942,202,452</b>             |

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#### 6. Real Estate Inventories and Investments in Real Estate

|   | June 30,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|---|---------------------------------|-----------------------------------|
| Real estate inventories:  |                                 |                                   |
| Eagle Ridge Project (General Trias, Cavite)                         | ₱539,253,700                    | ₱555,618,280                      |
| Lima Technology Center Project (LTC)<br>(Lipa and Malvar, Batangas) | 240,760,936                     | 240,617,367                       |
|   | <b>₱780,014,636</b>             | <b>₱796,235,647</b>               |
| Investments in real estate:   |                                 |                                   |
| CASI Property (Lanang, Davao City)                                  | ₱1,226,174,500                  | ₱1,226,174,500                    |
| LTC Project (Lipa and Malvar, Batangas)                             | 1,057,660,654                   | 1,039,778,567                     |
| Batangas Project (Lipa and Malvar, Batangas)                        | 103,050,795                     | 103,050,795                       |
| Laguna Project (Cabuyao, Laguna)                                    | 4,685,936                       | 4,685,936                         |
|   | <b>₱ 2,392,167,310</b>          | <b>₱2,373,689,798</b>             |

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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.

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#### 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 ₱957 million as at June 30, 2012 and ₱983 million as at December 31, 2011.

The movement during the three month period ended June 30, 2012 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, 2012, management concludes that there are no indicators of impairment that could result in the impairment of goodwill.

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#### 8. Other Noncurrent Assets

|                        | June 30,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|------------------------|---------------------------------|-----------------------------------|
| Deferred project costs | ₱787,558,343                    | ₱742,762,857                      |
| Mining rights          | 195,000,000                     | 195,000,000                       |
| Others                 | 32,639,165                      | 20,686,453                        |
|                        | <b>₱ 1,015,197,508</b>          | <b>₱958,449,310</b>               |

##### 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, 2012 and December 31, 2011, 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 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 1 of SM 200 is expected to commence in July 2012. Completion is expected in June 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 NGCP.

*Mapalad.* Mapalad was formerly the 100MW Iligan Diesel Power Plant that was constructed in 1993 and operated under the Northern Mindanao Power Corporation (NMPC) until the turnover to the NPC of NMPC-1 in 2003, and NMPC-2 in 2006. After the turnover, the 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.

*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 30, 2012, the Manat MPSA is still in the exploration phase of development.

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**9. Accounts Payable and Other Current Liabilities**

|   | June 30,<br>2012<br>(Unaudited) | December 31,<br>2011<br>(Audited) |
|---|---------------------------------|-----------------------------------|
| Trade   | ₱229,497,880                    | ₱187,540,461                      |
| Accrued interest  | 16,356,810.37                   | 4,479,488                         |
| Nontrade:   |                                 |                                   |
| Advances from projects and others                                 | 79,258,829                      | 61,448,675                        |
| Payable to non-controlling shareholders of a dissolved subsidiary | 28,753,047                      | 29,083,584                        |
| Commissions payable   | 7,149,184                       | 14,355,243                        |
| Output tax payable  | 29,219,234                      | 25,116,685                        |
| Retention payable   | -                               | 3,496,530                         |
| Estimated liquidation expenses                                    | 6,534,994                       | 6,534,994                         |
| Advances from customers   | -                               | 27,659,813                        |
| Accrued vacation and sick leave benefits                          | 24,828,163                      | 26,208,998                        |
| Other current liabilities   | 71,023,508                      | 29,516,853                        |
|   | <b>₱ 492,621,649</b>            | <b>415,441,324</b>                |

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**10. Equity**

Capital Stock

|                                   | June 30,<br>2012<br>(Unaudited ) |                 |                | December 31,<br>2011<br>(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                        |
|                                   | <b>12,000,000,000</b>            |                 |                | <b>12,000,000,000</b>             |
| <b>Issued and Outstanding -</b>   |                                  |                 |                |                                   |
| Common shares                     | 6,291,500,000                    | ₱6,291,500,000  | 6,291,500,000  | ₱6,291,500,000                    |

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.

There was no issuance of redeemable preferred shares as at June 30, 2012.

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

The dates of declaration, record and payment of cash dividend amounting to ₱0.011 per share equivalent to ₱69 million in 2011, ₱0.01 per share equivalent to ₱63 million in 2010 and 2009 payable to all stockholders are as follow:

| Year | Date of Declaration | Date of Record   | Date of Payment  |
|------|---------------------|------------------|------------------|
| 2012 | May 4, 2012         | May 18, 2012     | June 14, 2012    |
| 2011 | May 20, 2011        | June 6, 2011     | June 13, 2011    |
| 2010 | May 26, 2010        | April 20, 2010   | May 17, 2010     |
| 2009 | December 18, 2009   | January 11, 2010 | January 29, 2010 |

The share of non-controlling interests on the dividends declared by subsidiaries amounted to ₱674 million as of June 30, 2012, ₱548 million, ₱570 million and ₱642 million in 2011, 2010 and 2009, respectively

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

##### Earnings Per Share

|   | Six Months Ended June 30, |                     |
|---|---------------------------|---------------------|
|   | 2012<br>(Unaudited)       | 2011<br>(Unaudited) |
| Net income attributable to equity<br>holders of the Parent Company  | ₱ 163,309,694             | ₱ 288,993,316       |
| Divided by the average number of<br>shares outstanding for the year | 6,291,500,000             | 6,291,500,000       |
| Basic/Diluted EPS   | ₱ 0.026                   | ₱ 0.046             |

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#### 12. Income Tax

The major components of income tax expense in the consolidated statements of income for the period ended June 30, 2012 and 2011 are as follows:

|  | 2012          | 2011          |
|--|---------------|---------------|
| Current income tax expense   | ₱ 135,664,928 | ₱ 124,402,741 |
| Deferred income tax expense (benefit) related to<br>origination and reversal of deferred taxes | (5,970,498)   | (6,775,068)   |
|  | ₱ 129,694,430 | ₱ 117,627,673 |

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#### 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, 2012 |                |            |                |
|------------------------------|---------------|----------------|------------|----------------|
|                              | On Demand     | < 1 Year       | 1-3 Years  | > 3 Years      |
|                              | ₱             | ₱              | ₱          | ₱              |
| Cash and cash equivalents    | 578,802,630   | —              | —          | 578,802,630    |
| Short-term cash investments* | —             | 1,148,643,648  | —          | 1,148,643,648  |
| Trade receivables            | —             | 877,859,532    | 9,448,140  | 887,307,672    |
| AFS financial assets         | 63,304,804    | —              | —          | 63,304,804     |
|                              | ₱642,107,434  | ₱2,026,503,180 | ₱9,448,140 | ₱2,678,058,754 |

|                              | December 31, 2011 |                |             |                |
|------------------------------|-------------------|----------------|-------------|----------------|
|                              | On Demand         | < 1 Year       | 1-3 Years   | > 3 Years      |
|                              | ₱                 | ₱              | ₱           | ₱              |
| Cash and cash equivalents    | ₱453,177,125      | —              | —           | ₱453,177,125   |
| Short-term cash investments* | —                 | 803,053,367    | —           | 803,053,367    |
| Trade receivables            | —                 | 870,349,774    | 10,051,213  | 880,400,987    |
| AFS financial assets         | 46,374,762        | —              | —           | 46,374,762     |
|                              | ₱499,551,887      | ₱1,673,403,141 | ₱10,051,213 | ₱2,183,006,241 |

*Including interest income computed using prevailing rate as at December 31, 2011*

#### 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 66:34 as of December 31, 2011.

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

| 2011                              |                       |                    |             |              |              |              |
|-----------------------------------|-----------------------|--------------------|-------------|--------------|--------------|--------------|
|                                   | Interest Terms (p.a.) | Rate Fixing Period | <1 Year     | 1-3 Years    | >3 Years     | Total        |
| Long-term debt                    |                       |                    |             |              |              |              |
| U.S. dollar-denominated borrowing | LIBOR<br>+2.25%       | Quarterly          | ₱79,717,636 | ₱136,379,203 | ₱141,237,688 | ₱357,334,527 |
| Peso-denominated borrowings       | 91 T-bill<br>+3%      | Quarterly          | 48,000,000  | 169,304,800  | -            | 217,304,800  |

#### 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 ₱42.96 and ₱43.84 to US\$1.0, for June 30, 2012 and December 31, 2011, 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, 2012 and December 31, 2011 follow:

Current Ratio

|                     | 2012            | 2011            |
|---------------------|-----------------|-----------------|
| Current assets      | ₱ 5,376,219,177 | ₱ 5,243,848,803 |
| Current liabilities | 1,652,917,295   | 748,090,893     |
|                     | <b>3.25:1</b>   | <b>7.0:1</b>    |

Debt-to-Equity Ratio

|   | 2012              | 2011              |
|---|-------------------|-------------------|
| Loans payable   | ₱ 2,599,595       | ₱ 10,156,855      |
| Long-term debt (net of unamortized transaction costs) | 1,828,712,238     | 1,035,767,989     |
| Total debt  | 1,831,311,833     | 1,045,924,844     |
| Equity  | 8,786,009,056     | 8,776,590,942     |
| Other reserves  | ( 31,171,077 )    | ( 22,417,458 )    |
| Cumulative translation adjustment                     | ( 1,154,636,429 ) | ( 1,254,366,627 ) |
| Total equity  | ₱ 7,600,201,550   | ₱ 7,499,806,857   |
|   | <b>0.24:1</b>     | <b>0.21:1</b>     |

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**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 three-month period ended June 30, 2012, 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, 2012 and for the Six-Month Period Ended June 30, 2012 and 2011 (with Comparative Audited Consolidated Balance Sheet as of December 31, 2011).

### 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, 2012 and 2011. (Amounts in million pesos, except ratios)

| Financial KPI                                      | Definition   | June 30       |               |
|--|--|---------------|---------------|
|  |  | 2012          | 2011          |
| <u>Profitability</u>                               |  |               |               |
| <b>REVENUES</b>                                    |  | <b>₱1,495</b> | <b>₱1,368</b> |
| <b>EBITDA</b>                                      |  | <b>918</b>    | <b>821</b>    |
| EBITDA Margin                                      | <u>EBITDA</u><br>Net Sales                                       | 61%           | 60%           |
| Return on Equity                                   | <u>Net Income</u><br>Total Average Stockholders' Equity          | 4%            | 6%            |
| <b>NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS</b> |  | <b>163</b>    | <b>289</b>    |
| <u>Efficiency</u>                                  |  |               |               |
| Operating Expense Ratio                            | <u>Operating Expenses</u><br>Gross Operating Income              | 33%           | 29%           |
| <u>Liquidity</u>                                   |  |               |               |
| Net Debt Coverage                                  | <u>Cash Flow from Operating Activities</u><br>Net Financial Debt | 61%           | 141%          |
| <b>CURRENT RATIO</b>                               | <u>Current Assets</u><br>Current Liabilities                     | 3.25:1        | 4.15:1        |
| <b>DEBT-TO-EQUITY RATIO</b>                        |  | 0.24:1        | 0.21:1        |

### Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company increased to 61% from 60% in 2011. The increase in revenues from ₱

1.368 billion to ₲1.495 billion resulting from higher energy dispatched by the power companies and higher energy consumption by our Lima Technology Center locators contributed to the increase in EBITDA margin. Return on equity (ROE) slightly declined from 6% in 2011 to 4% this year because of lower net income this period resulting from a non-recurring gain earned in 2011.

#### Efficiency

As a result of higher energy dispatched by the power companies as well as higher power sales and service income from Lima Land, Inc.'s utility companies, gross operating income improved by 3% during the first half of 2012. The gross operating income was not affected by the increase in operating expense ratio from 29% to 33% this year.

ACR's cash flows from operations this year decreased to ₦768 million from ₦1.003 billion in 2011. Debt coverage ratio decreased to 61% from 141% in 2011 due to the drawdown of the remaining credit facility of the two power companies during the year and the availment of project equity of ACR from its Parent Company. Current ratio decreased to 3.25:1 in 2012 compared to last year's 4.15:1 resulting from lower receivables in 2012.

#### **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 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 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**

First half financial results show the company generated revenues of ₱1.495 billion, a 9% improvement from the ₱1.368 billion it earned in the same period last year. Energy fees from its power subsidiaries of ₱1.052 billion were slightly higher than the previous year's ₱1.017 billion resulting from higher energy dispatch levels this year. The sale of power and water in the Lima Technology Center in Malvar, Batangas improved by 23%, registering ₱391 Million in sales from the previous year's ₱316.7 Million. ACR's net income attributable to the parent posted a 43% decline during the six-month period from ₱289 Million in 2011 to ₱163.3 Million in 2012. The decline was due to non-recurring income generated by the company last year. The company expect improvements in its net income for the rest of 2012 when it has taken over and rehabilitated the old 100MW Iligan Diesel Power Plant within the next few months.

Cost of goods sold was reported at ₱789.4 million, 12% higher than the ₱702 million last year. The increase is primarily due to higher spare parts usage and lube oils this year resulting from higher energy dispatched by the power companies. Gross profit margin this year also declined 47% from 49% last year.

General and administrative expenses increased 16% from ₱148.9 million to ₱173.1 million, this is due primarily to the payment of real estate taxes of a chunk of property merged with Lima Land, Inc. and higher administrative expenses by the power companies this year.

Net finance charges this year was at ₱0.9 million from a net finance income of ₱10.79 million in 2011. This is due to higher interest expense resulting from the drawdown of remaining credit lines of WMPC and SPPC amounting to US\$16 million and U\$3 million, respectively during the first quarter of this year.

Other income amounted to ₱83.6 million, down 69% from last year's ₱266 million. The nonrecurring items included in the 2011 other income represent collection of insurance claim and reimbursement of a burned engine of WMPC during that year as well as a gain realized on the restructuring of a loan by the Parent Company.

ACR's net income before tax stood at ₱614.8 million in 2012 due to the absence of nonrecurring income during the year, 23% lower than the ₱389.6 million reported in 2011. Provision for income tax was higher this year at ₱129.7 million from ₱117.6 million resulting from higher taxable income.

In view of the above results, net income attributable to the equity holders of the Parent decreased from ₦289 million to ₦163.3 million. Hence, basic earnings per share declined from ₦0.046 to ₦0.026 for the six-month period ended June 2012.

#### REVIEW OF FINANCIAL POSITION

ACR and Subsidiaries posted total assets of ₦14.058 billion, slightly higher than the ₦13.992 billion at the end of 2011.

Current assets increased 3% from ₦5.244 billion to ₦5.376 billion brought about by the increased in cash and cash equivalents and short-term cash investments. The increases were due mainly to the additional placements by the power companies during the year arising from timing of collection of trade receivables.

Non-current assets slightly decreased 1% from ₦8.748 billion to ₦8.683 billion. This is due largely to the 4% decline in book value of property, plant and equipment resulting from depreciation during the period.

Total liabilities amounted to ₦3.669 billion, 77% higher than the ₦2.072 billion reported at the end of 2011. The drawdown of the remaining credit lines of the two power companies led to the increase in total liabilities.

As of June 30, 2012, ACR's current ratio decreased from 4.15:1 to 3.25:1, while its debt to equity ratio remained strong at 0.24:1.

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

- i. Causes of the material changes (5% or more) in balances of relevant accounts as of June 30, 2012 compared to December 31, 2011 are as follows:
  - a) **Cash and Cash Equivalents And Short-term Cash Investments** – Increased 64%  
The increase is due mainly to the timing of collection of receivables and additional placements made by the power companies during the period.
  - b) **Trade and Other Receivables** –Decreased 12%  
The decrease is due mainly to the timing of collection of receivables during the period.
  - c) **Inventories** –Decreased 7%  
The decrease is due mainly to spare parts usage during the period.
  - d) **Prepaid Expenses and Other Current Assets** –Increased 5%.  
The increase was due largely to the additional prepaid insurance incurred during the period.

- e) **Noncurrent Portion of Trade Receivables** – Decreased 6%  
The decrease was due mainly to the collection of maturing receivables during the period.
  - f) **AFS Financial Assets** – Increased 37%  
The increase was due to the appreciation in the market value of these financial assets.
  - g) **Dividends Payable** – Increased 100%.  
The unpaid dividends declared by the power companies caused the increase in this account.
  - h) **Accounts Payable and Accrued Expenses** – Increased 19%  
The decrease is primarily due to the restructuring of a loan by the Parent Company and the condoned interest amounting to 83 million.
  - i) **Loans Payable** – Decreased 74%.  
The decrease is due to payments of maturing portion during the period.
  - j) **Current portion and Long-term Debt** – Increased 56%  
The increase in this account was due to the availment and drawdown of the remaining credit line of SPPC and WMPC.
  - k) **Customer's Deposit** – Increased 110%.  
The additional deposits related to lot buyers and LTC locators during the period resulted to the increase in this account.
  - l) **Cumulative Translation Adjustments** – Decreased 8%.  
The decrease was due to the translations of the US Dollar Functional Currency Financial Statements of the power company subsidiaries.
- 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, 2011.
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, 2012 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, 2011.
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.

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

1

Date:

  
8/14/12

Date:

  
8/14/12

  
LUIS R. YMSON, JR.  
Chief Financial Officer

| Type of Accounts Receivable:                          | TOTAL                | 1month             | 2-3months          | 4-6months          | 7months to 1year   | 1-2years             | 3-5years           | 5years and above   | Past due Accounts  |
|---|----------------------|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| <b>a) Accounts Receivable – Trade</b>                 |                      |                    |                    |                    |                    |                      |                    |                    |                    |
| 1 Power   | 505,855,148          | 264,379,247        | 123,956,718        | 108,505,617        | 5,577,993          | 3,436,573            | 49,651,796         | -                  | 185,256,167        |
| 2 Real Estate   | 248,503,951          | 1,598,430          | 1,316,901          | 5,298,929          | 692,955            | 1,914,868            | 2,773,886          | -                  | -                  |
| 3 Water Sales & Utilities                             | 85,046,740           | 82,458,035         | 2,267,638          | 294,028            | -                  | 27,039               | -                  | -                  | -                  |
| 4 Rental  | 6,722,254            | 746,830            | 794,971            | 738,927            | 376,448            | 821,076              | 1,569,367          | 1,674,635          | -                  |
| 5 Plywood Hardiflex, agri & Indl                      | 31,730,458           | -                  | -                  | -                  | -                  | -                    | -                  | -                  | 31,730,458         |
| Subtotal  | 877,859,532          | 349,182,542        | 128,336,228        | 114,837,501        | 6,647,396          | 6,199,556            | 4,343,253          | 83,056,889         | 185,256,167        |
| Less: Allow. For Doubtful Accounts                    | 79,777,027           |                    |                    |                    |                    |                      |                    | 79,777,027         |                    |
| Net Trade Receivables                                 | <b>798,082,505</b>   | <b>349,182,542</b> | <b>128,336,228</b> | <b>114,837,501</b> | <b>6,647,396</b>   | <b>6,199,556</b>     | <b>4,343,253</b>   | <b>3,279,862</b>   | <b>185,256,167</b> |
| <b>b) Accounts Receivable – Others</b>                |                      |                    |                    |                    |                    |                      |                    |                    |                    |
| 1 Advances affiliates/project developer/joint venture | 1,736,845,013        | 5,966,542          | 30,452,164         | 1,397,382          | 1,091,238,966      | 388,064,467          | 105,664,524        | -                  | -                  |
| 2 Advances contractors and suppliers                  | 13,760,016           | 1,729,108          | 987,227            | 501,138            | 1,613,425          | 2,628,407            | 561,158            | 5,739,552          | -                  |
| 3 Advances officers & employees                       | 8,721,907            | 2,181,225          | 3,502,276          | 2,556,169          | 308,385            | 104,860              | 1,289              | 67,703             | -                  |
| 4 Miscellaneous and other receivables                 | 72,514,411           | 15,236,765         | 18,284,118         | -                  | 4,870,113          | 34,123,416           | -                  | -                  | -                  |
| Total Accounts Receivable – Others                    | <b>1,831,841,347</b> | <b>25,113,641</b>  | <b>53,225,785</b>  | <b>4,454,689</b>   | <b>120,852,891</b> | <b>1,128,095,649</b> | <b>388,626,914</b> | <b>111,471,779</b> | <b>-</b>           |
| Less: Allow. For Doubtful Accounts                    | <b>33,670,739</b>    | <b>25,113,641</b>  | <b>53,225,785</b>  | <b>4,454,689</b>   | <b>120,852,891</b> | <b>1,128,095,649</b> | <b>33,670,739</b>  | <b>354,956,175</b> | <b>111,471,779</b> |
| <b>ACCOUNTS RECEIVABLE-NET (a + b)</b>                | <b>2,596,253,112</b> | <b>374,296,183</b> | <b>181,562,013</b> | <b>119,292,190</b> | <b>127,500,287</b> | <b>1,134,295,205</b> | <b>359,299,427</b> | <b>114,751,641</b> | <b>185,256,167</b> |

Accounts Receivable Description

| Type of Receivable                | Nature/Description   | Collection Period         |
|-----------------------------------|--|---------------------------|
| <b>1. Trade receivable</b>        |  |                           |
| a) Power                          | Receivable arising from sale of power to NPC   | 30 days                   |
| b) Lots                           | Sale of residential lots   | 3 to 10 years             |
| c) Water & Utilities              | Receivable from water & utilities  | 30 days                   |
| d) Steel Frames                   | Sale of door & window frames   | 60 days from date of sale |
| e) Rental                         | Office, parking & warehouse rental   | 30 days                   |
| f) Plywood Hardiflex, agri & Indl | Sale of ecowood, fiber cement board, Agri & Industrial products  | 38,58 & 130 days          |
| <b>2. Non-Trade receivable</b>    |  |                           |
| 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, 2012

Attachment B

| Title of Issue and Type of Obligation   | Current Portion of Long-Term Debt in the Balance Sheet | Interest Rates               | Data shown under long-Term Debt in the Balance Sheet |               |               |
|---|--|------------------------------|--|---------------|---------------|
|   |  |                              | Term   | Maturity      | Amount        |
| <b>Parent Company</b>                   |  |                              |  |               |               |
| Union Bank of the Philippines           | 12,329,112   | Fixed 8%                     | Quarterly  | 1. Mar. 2014  | 30,822,779    |
| Rizal Commercial Bank                   | 24,000,000   | 90days T-Bill plus 3% Spread | Quarterly  | 30. Sep. 2014 | 169,304,800   |
| PDIC                                    | 7,875,000  | Fixed 6%                     | Quarterly  | 30. Sep. 2015 | 70,699,000    |
| Alsons Power Holdings Corp.             | -  | -                            | -  | -             | 131,993,578   |
| <b>Southern Philippines Power Corp.</b> |  |                              |  |               |               |
| Development Bank of the Phils.          | 53,818,855   | Fixed 2.25%                  | Quarterly  | 15. Jul. 2016 | 176,897,669   |
| Development Bank of the Phils.          | 26,790,051   | Fixed 3.57%                  | Quarterly  | 15. Jul. 2016 | 89,879,923    |
| <b>Western Mindanao Power Corp.</b>     |  |                              |  |               |               |
| Union Bank of the Philippines           | 24,147,145   | Fixed 2.25%                  | Quarterly  | 14. Aug. 2015 | 54,890,311    |
| Union Bank of the Philippines           | 193,367,752  | Fixed 3.375%                 | Semi-Annual  | 15. Aug. 2015 | 485,461,048   |
| <b>Lima Utilities Corp.</b>             |  |                              |  |               |               |
| National Transmission Corporation       | 21,405,055   | -                            | -  | -             | -             |
| <b>Alsons Land Corporation</b>          |  |                              |  |               |               |
| Security Bank Corporation               | 25,820,000   | Fixed 5%                     | Quarterly  | 2. Nov. 2015  | 101,574,035   |
| <b>Market Developers, Inc.</b>          |  |                              |  |               |               |
| Security Bank Corporation               | 12,930,000   | Fixed 5%                     | Quarterly  | 2. Nov. 2015  | 114,706,125   |
|   |  |                              |  |               | 1,426,229,268 |