

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter:

ALSONS CONSOLIDATED RESOURCES, INC.

3. Province, country or other jurisdiction of incorporation or organization: Philippines

4. SEC Identification Number: 59366

5. BIR Tax Identification Code : 001-748-412

6. Address of principal office : Alsons Building, 2286 Don Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City 1231, Philippines

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

8. Date, time and place of the meeting of security holders:

May 27, 2016 at 2:00 p.m.

Ballroom 1, New World Makati Hotel

Esperanza Street corner Makati Avenue, Ayala Center, Makati City 1228 Philippines

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
May 6, 2016

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: Alsons Consolidated Resources, Inc.

Address and Telephone No.: 2/F Alsons Building, 2286 Don Chino Roces Avenue

Makati City 1231 Metro Manila; (632) 982-3000

11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of RSA (Information on number of shares and amount of debt is applicable only to corporate registrants):

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

12. Are any or all of these securities listed in the Stock Exchange?

Yes [X] No []

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Common Stock



INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

This Information Statement and Proxy Form shall be sent to security holders as soon as practicable after the approval of the Definitive Information Statement by the Securities and Exchange Commission but not later than May 6, 2016 in connection with the Annual Stockholders' Meeting of Alsons Consolidated Resources, Inc. (the "Corporation", "Company" or "ACR").

Item 1. Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting will be held on May 27, 2016 at 2:00 p.m., Ballroom 1, New World Makati Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City 1228, Philippines (the "Annual Stockholders' Meeting" or "Meeting").

The complete mailing address of the principal office of the Company is 2/F Alsons Building, 2286 Don Chino Roces Avenue, Makati City 1231, Philippines.

The Agenda of the Meeting, as indicated in the accompanying Notice of Annual Meeting of Stockholders, is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on May 22, 2015
4. Management & Annual Report
5. Approval of the 2015 Audited Financial Statements
6. Ratification of Acts of the Board and Management
7. Election of Directors (including Independent Directors)
8. Appointment of External Auditors
9. Other business that may properly be brought before the meeting
10. Adjournment

As in previous years, there will be an open forum before the approval of the Management & Annual Report and the Audited Financial Statements for the year ended December 31, 2015 is submitted to the vote of the shareholders. Questions will likewise be entertained for other items in the agenda as appropriate and consistent with orderly proceedings.

The Management Report and the Audited Financial Statements for the year ended December 31, 2015 are attached to this Information Statement. The Annual Report under Securities Exchange Commission ("SEC") Form 17-A is available on the Company's website (www.acr.com.ph). Upon written request of a shareholder, the Company shall furnish such shareholder with a copy of the said Annual Report on SEC Form 17-A as filed with the SEC, free of charge. The contact details for obtaining such copy are on page 17 of this Information Statement.

Shareholders who cannot attend the Meeting may accomplish the attached Proxy Form. Please indicate your vote (Yes, No, Abstain) for each item in the attached form, and submit the same on or before **May 17, 2016** to the Office of the Corporate Secretary at the Company's principal office.

Proxies will be tabulated by the Company's stock transfer agent, Prime Stock Transfer Services, Inc. (2/F, Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila) and will be voted in accordance with applicable rules.

Voting procedures are contained in this Information Statement and will be stated at the start of the Meeting. Cumulative voting is allowed; please refer to Item 4, page 2 and Item 19, page 18 for an explanation of cumulative voting.

Further information and explanation regarding specific agenda items, where appropriate, are contained in various sections of this Information Statement. This Information Statement constitutes notice of the resolutions to be adopted at the Meeting.

Item 2. Dissenters' Right of Appraisal

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Corporation Code of the Philippines.

There are no matters to be taken up during the Meeting on May 27, 2016 that will require the exercise of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
2. Nominees for election as Directors of the Corporation;
3. Associate of any of the foregoing persons.

No incumbent Director has informed the Company in writing of an intention to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of April 6, 2016, there are 6,291,500,000 outstanding common shares entitled to notice and to vote during the Meeting. Each common share is entitled to one vote, except with respect to the election of Directors where the stockholders are entitled to cumulative voting. There are also 5,500,000,000 voting preferred shares that were subscribed, ₱26,583,333 of which was paid as of December 31, 2015. Only holders of the Company's common and preferred voting stock of record at the close of business hours on April 6, 2016, acting in person or by proxy on the day of the Meeting, are entitled to vote at the Annual Meeting to be held on May 27, 2016.

The election of the Board of Directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for Director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are Directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholders should not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of Directors to be elected.

1. Security Ownership of Certain Record and Beneficial Owners

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

Table 1 - Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of Shares Held	Percentage
Common	Alsons Corporation¹ (AC) Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila	Affiliate	AC ²	Filipino	2,592,524,072	41.21%
Common	Alsons Power Holdings Corp.¹ (APHC) Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	APHC ²	Filipino	1,249,999,600	19.87%
Common	Alsons Development & Investment Corp.¹ (ADIC) 329 Bonifacio St., Davao City	Affiliate	ADIC ²	Filipino	1,188,524,026	18.89%
Common	PCD Nominee Corporation³ (Fil) MSE Bldg., Ayala Ave., Makati City	None	Various ⁴	Filipino	1,140,489,577	18.13%

¹ The President and CEO of the Corporation, Tomas I. Alcantara, is the Chairman of the Board of Directors of the Company.

² The Alcantara Family beneficially owns AC, APHC and ADIC, and these stockholders will be represented at the Meeting by Mr. Tomas I. Alcantara.

³ The PCD Nominee Corporation is not related to the Company.

⁴ There are no holders of more than 5% of common stock under PCD. The clients of the various PCD participants have the power to decide how the Company's shares are to be voted.

2. Security Ownership of Management

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

Table 2 - Security Ownership of Management

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

Voting Trust Holders of 5% or More

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

Changes in Control

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

Item 5. Directors and Executive Officers

a. Board of Directors and Executive Officers

(i) The Board of Directors

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

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

Table 3 – Board of Directors

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

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

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

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

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

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

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

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

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

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

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

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

Carlos G. Dominguez, 70, Filipino, has served as Director of the Company since March 8, 1995. He holds an Economics degree and an MBA from the Ateneo de Manila University. He also attended the Executive Program at the Stanford University. Currently, he is the President of Retail Specialist, Inc. (1991), Philippine Tobacco Flue-Curing and Redrying Corporation, Baesa Redevelopment Corporation, Halifax Capital Resources, Inc. (1992), C.G. Dominguez and Associates, Inc., Huntly Corporation (1993) and Linden Suites, Inc. (1997). He is also a Director of RCBC Capital Corporation (1994), the Chairman of Philippine Eagle Foundation (2001) and a member of the Board of Trustees of the Ninoy and Cory Aquino Foundation (1995).

Mr. Dominguez also serves as Director of United Paragon Mining Corporation (since 1993), Transnational Diversified Corporation (1999), Alip River Development and Export Corporation (2000) and Diamond Star Agro Products, Inc. (2007).

He served as the Minister of Natural Resources during the Corazon C. Aquino Administration from 1986 to 1987 and as Secretary of Agriculture from 1987 to 1989. He was Chairman of the Board of Directors of Republic Planters Bank from 1987 to 1992, Chairman of the Board of Directors and the President of Philippine Airlines from 1993 to 1995, Chairman of the Board of Directors of RCBC Capital Corporation from July 1994 to May 2002, Chairman of the Board of Directors and the President of the Philippine Associated Smelting and Refining Corporation from 1999 to 2002, a Director of the Manila Electric Company from 2001 to July 2003, a Director of Roxas Holdings, Inc. from 1997 to May 2009, a Director of iPVG Corporation from October 2004 to June 2008 and President of Lafayette Philippines, Inc. from January 2006 to April 2008.

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

Jacinto C. Gavino, Jr., 66, Filipino, has served as Independent Director of the Company since May 2005. He has been a full-time Faculty of the Asian Institute of Management (AIM) since 1990 and he presently holds the Fr. James F. Donelan, SJ, Professorial Chair in Business Ethics. He is on the core faculty of the Washington SyCip Graduate School of Business (WSGSB). He was also the Associate Dean of the Master in Management Program from 1993 to 1995, and Associate Dean for Research from 1995 to 1999.

He is currently a Director of Productronica Holdings, Inc. (2003), Aurotech Corporation (2000), Green Chemicals Corporation (2006), RNuable Energy Corporation (2011) and Sarangani Agricultural Co., Inc. (2005). He also serves as a Trustee of Fundacion Santiago (2002) and the Center for Family Ministries at the Loyola School of Theology (2006). He also does consultancy work for various businesses and non-profit organizations. Professor Gavino holds a Bachelor of Science degree in Electrical Engineering from the University of the Philippines (1971), a Master in Business Administration degree from the Ateneo de Manila University (1984), and a Doctorate in Public Administration from the

University of the Philippines (1993). He also taught in the Ateneo de Manila University, Maryknoll College, and the University of the Philippines.

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

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

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

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

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

Before entering public service, Dr. Aquino held important roles in the fields of economics and business in the private sector as Vice President for Business Economics and Director of the Strategic Business Economics Program of UA&P. He returned to private practice as strategy consultant to companies and economic policy adviser to government entities. He is the Chairman of NOW Corporation and Independent Director of A Brown Company, both publicly listed at the Philippine Stock Exchange. He obtained his Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial

Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

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

(ii) The Executive Officers

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

Table 4 – Executive Officers

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

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

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

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

Angel M. Esguerra III, 54, Filipino, was appointed as the Assistant Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the

Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

b. Family Relationship of Directors and Officers

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

c. Independent Directors

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

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

d. Compensation plan

Warrants and Options Outstanding

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

e. Pending Legal Proceedings

None of the Directors and officers were involved in any bankruptcy proceedings as of April 6, 2016 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree by a court or agency of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

f. Significant employees

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

g. Legal Proceedings where Property is the Subject

There are no material pending legal proceedings as of April 6, 2016 to which the Company or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

h. Certain Relationships and Related Transactions

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

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

- (i) On October 9, 2015, the Company subscribed to 22 million redeemable preferred shares of Alsons Development and Investment Corporation ("ADIC" or "Aldevinco"), a shareholder of the Company, through a conversion of the Company's advances to Aldevinco amounting to ₱2.2 billion. The redeemable preferred shares have a par value of ₱100 per share with cumulative dividend of 4% per annum and are non-participating. The Company accounts for its investment in these redeemable preferred shares as part of AFS investment in the Financial Statements.
- (ii) On December 27, 2011, the Company acquired 72% of the outstanding shares of C. Alcantara and Sons, Inc. (CASI) from Aldevinco, for a total consideration of ₱ 1.226 billion, which represents the market value of Lanang Landholdings of CASI as determined by an independent third party appraiser.

In 2014, CASI obtained its Tax Clearance from the Bureau of Internal Revenue and approval of the SEC for CASI's liquidation effective March 31, 2014. As a result, ACR received the Lanang Landholdings of CASI as a liquidating dividend amounting to ₱1.226 billion.

- (iii) On March 21, 2013, Aldevinco and ACIL (collectively referred to as AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, wherein ALI would own 60%, and AG would own 40%, of the outstanding capital stock of a Joint Venture Corporation (JVC), Aviana Development Corporation (ADC), which shall the develop the Lanang Landholdings in Davao. On September 17, 2013, ADC was incorporated, and ACR subscribed to 296 preferred shares and 32 common shares for 32.8% ownership in ADC.
- (iv) On December 11, 2015, the Company and AC entered into Deed of Assignment of Shares (share swap) agreements with Alsons Prime Investments Corporation ("APIC"), whereby the Company and AC assigned and transferred to APIC all their interests in Indophil Resources N.L., an Australian entity ("IRNL" or "Indophil") in exchange for ownership interests in Indophil Resources Philippines, Inc., a Philippine corporation ("IRPI"). Accordingly, the Company recognized the investment in IRPI, amounting to ₱1.213 billion, as representing the carrying value of the investment at the date of the share swap agreement. The Company still exercises significant influence over IRPI due to the Company's representation in IRPI's Board of Directors and its Operating Committee. Accordingly, ACR treats its investment in IRPI as "Investment in associate" using the equity method in the 2015 consolidated financial statements.

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

The Company retains the law firm of Castillo Laman Pantaleon and San Jose for legal services, where Atty. Roberto V. San Jose is a Consultant. During the last two fiscal years, 2015 and 2014, ACR paid the firm ₱1,557,560 and ₱472,830, respectively. Included in the amount paid in 2015 are ₱1,197,560, which pertain to legal services rendered on the Fixed-rate Corporate Note facility documentation and review. The Company believes that the legal fees are reasonable for the services rendered.

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

Item 6. Compensation of Directors and Executive Officers

A Director's compensation consists of a per diem of ₱30,000 for every meeting of the Board of Directors' and ₱15,000 for every meeting of the Executive Committee or Audit Committee.

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

Section 9. Compensation of Directors. Each Director shall receive, for his services as Director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him provided, that nothing herein contained shall be construed to preclude any Director from serving the company in any other capacity and receiving such compensation therefore as may be fixed from time to time by the Board of Directors.

Section 10. Profit Sharing. The Board of Directors shall be authorized and empowered to pay or distribute to the members of the Board of Directors and the Executive Committee, and the officers of the Corporation, amounts of up to five percent (5%) of the net income before tax in each year, to be allocated at its discretion. If the income arises from the consolidation, or equity accounting of earnings of subsidiaries or affiliates, the computation of net income subject to profit sharing, shall be based on the cash or property dividends declared and actually received by the Company during the year.

The aggregate amounts paid by the Company to its Directors and Executive Officers as a group were ₱3,210,000 and ₱3,145,000 for the years 2015 and 2014, and ₱2,400,000 in 2013, respectively. For 2016, the Company estimates that it will pay an aggregate amount of ₱3,780,000 as compensation to its Directors and Executive Officers.

Table V - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Tomas I. Alcantara Chairman and President	2016est	₱	₱	₱315,000
	2015	-	-	285,000
	2014	-	-	310,000
	2013	-	-	240,000
2. Editha I. Alcantara Director & Treasurer	2016est	-	-	420,000
	2015	-	-	255,000
	2014	-	-	345,000
	2013	-	-	315,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	2016est	-	-	420,000
	2015	-	-	375,000
	2014	-	-	405,000
	2013	-	-	270,000

4. Jose Ben R. Laraya Director	2016est	-	-	420,000
	2015	-	-	345,000
	2014	-	-	405,000
	2013	-	-	330,000
5. Ramon T. Diokno Director	2016est	-	-	315,000
	2015	-	-	300,000
	2014	-	-	270,000
	2013	-	-	210,000
6. All other Officers and Directors as a group unnamed	2016est.	-	-	1,890,000
	2015	-	-	1,650,000
	2014	-	-	1,410,000
	2013	-	-	1,035,000

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

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

1. Standard arrangement and any material arrangements;
2. Employment contract (between the registrant and named Executive Officers);
3. Compensatory plan or arrangement;
4. Outstanding warrants or options;
5. Adjustments or amendments on the stock warrants or options.

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

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

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The above named Executive Officers of the Company are not employees of ACR and are not covered by any existing employment contracts. They only receive per diem if they attend a Board meeting, an Executive Committee meeting, and/or an Audit Committee meeting.

Elections of Directors

The Directors of the Company elected at the Stockholders' Meeting are to hold office for one (1) year until their respective successors have been duly elected and qualified.

The following members of the current Board of Directors were nominated to the Directorship for the following year by Ms. Nelia A. Claudio and Ms. Consuelo Manching:

1. Tomas I. Alcantara
2. Editha I. Alcantara
3. Alejandro I Alcantara
4. Carlos G. Dominguez
5. Tirso G. Santillan,Jr.
6. Ramon T.Diokno
7. Conrado C. Alcantara
8. Honorio A. Poblador III

9. Jose Ben R. Laraya (independent)
10. Jacinto C. Gavino, Jr. (independent)
11. Thomas G. Aquino (independent)

Ms. Claudio and Ms. Manching who are not related to any of the Board of Directors and Executive Officers of the Company by affinity or consanguinity. None of the existing Directors declined for re-election or has disagreement on any matters relating to the operations, policies, or practices of the Company.

In addition:

Mr. Joseph A. Sy, a stockholder, was nominated as an Independent Director by his spouse, Ms. Evangeline T. Sy, likewise an ACR stockholder; and

Mr. Artemio A. Tanchoco, Jr, a stockholder, was nominated as an Independent Director by an unrelated stockholder, Mr. Georgie C. Cabo Cheng.

Nomination and Election of Independent Directors

In compliance with SRC Rule 38, which provides for the guidelines on the nomination and election of Independent Directors, a Nomination Committee was created with the following members:

1. Tomas I. Alcantara	- Director and Committee Chairman
2. Carlos G. Dominguez	- Director Member
3. Jose Ben R. Laraya	- Independent Director Member
4. Sylvia M. Duque, HRD Manager	- Non-Director Member

Under the Company's Manual of Corporate Governance, the members of the Nomination Committee may consist of at least three (3) Directors, one of whom is an Independent Director, and one non-voting member who is a human resources director/manager of the Company.

The tasks of the Nomination Committee are: (i) to promulgate the guidelines or criteria to govern the conduct of the nomination; (ii) to accept and pre-screen nominees for election as Independent Directors, ensuring that they conform with the criteria prescribed in SRC Rule 38 and the Company's Code of Corporate Governance, not later than 30 days prior to the stockholders meeting; and (ii) to prepare the final list of candidates and make this available to the SEC and stockholders before the stockholders' meeting.

On July 16, 2004, the Company amended its by-laws incorporating Rule 38 of the Securities Regulation Code as amended, stating the procedure or manner for the nomination and election of Independent Directors.

During the Stockholders' Meeting, the Chairman will inform the stockholders in attendance that:

1. Unqualified nominees shall not fill up specific slots for the Independent Directors.
2. In case of resignation, disqualification, or cessation of an Independent Director, the SEC shall be notified of such fact within five (5) days of the resignation, disqualification, or cessation. The vacancy shall thereafter be filled by a vote of at least a majority of the remaining Directors, if still constituting a quorum, upon nomination of the Nomination Committee. Otherwise, the stockholders in a regular or special meeting called for the purpose shall fill the vacancy. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

The Company's Management is soliciting proxies to re-elect the current Independent Directors, namely: Mr. Jose Ben R. Laraya; Mr. Jacinto C. Gavino and Dr. Thomas G. Aquino; all of whom were nominated by Ms. Nelia A. Claudio and Ms. Consuelo MAnching, an unrelated stockholders. This Information/Proxy Statements and the accompanying Proxy Form has been submitted by the Company's Management to the Securities and Exchange Commission and Philippine Stock Exchange and distributed the stockholders in compliance with the SEC rules on proxy solicitation.

The above Directors and nominees, particularly the Independent Directors pursuant to SRC Rule 38 have been screened by the Nomination Committee.

The write-up on their respective backgrounds and qualifications is set forth in the foregoing section on "Directors and Officers".

Item 7. Independent Public Accountants

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

Management recommends a vote for the re-appointment of SGV & Co. as the Corporation's External Auditor for the year ending December 31, 2016 with SGV's Mr. Martin C. Guantes as the engagement partner.

Members of the Audit Committee

The following are the members and officers of the Company's Audit Committee:

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

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

Item 10. Modification or Exchange of Securities

The Company has no outstanding securities that are to be modified or to be issued in exchange for other securities.

External Audit and Audit-Related Fees

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

Fees for the years ended December 31, 2015 and 2014 were ₱498,900 and ₱811,519 respectively. The 2014 include the audits fees for the services done on Lima Land Subsidiaries covering the period ended September 30, 2013 amounting to ₱197,022 and the Liquidation Report on C. Alcantara and Sons, Inc. for the period ended March 31, 2014 amounting to ₱123,200. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for 2015 and 2014. The fees and services were approved by the Audit Committee in compliance with the Code of Corporate Governance.

Brief Summary for the Approval of the Auditor's fees

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

The External Auditor confers and discusses with the Internal Auditors of the Company the auditing process adopted and methodologies used in compliance with International Accounting Standards in the initial draft of the Financial Statements and Notes to the Financial Statements in compliance with its Internal Management handbook and such other statutory and regulatory requirements.

The External Auditor, likewise, prepares an accountability statement that sufficiently identifies the officers responsible for the financial report.

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

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

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

Interest of certain persons in or opposition to matters to be acted upon

The Directors, officers, nominees for Directors and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon other than election to office.

The Company has not been informed in writing by any person that he or she intends to oppose any action to be taken by the Company at the meeting.

Item 11. Financial and Other Information

The Company's Management's Discussion and Analysis or Plan of Operations and Financial Statements for the years ended December 31, 2015 and 2014 are attached hereto as **Annexes "A" and "B"**, respectively.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) AND A COPY OF THE INTERIM UNAUDITED FINANCIAL REPORT DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

Mr. Luis R. Ymson, Jr.
Chief Financial Officer and Compliance Officer
Alsons Consolidated Resources, Inc.
2/F Alsons Building, 2286 Don Chino Roces Avenue
Makati City, 1231 Metro Manila, Philippines

Item 12. Merger, Consolidation, Acquisition and Similar Matters

The Company has no plan to undergo a merger or consolidation into or with any other entity.

C. OTHER MATTERS

Item 15. Actions with Respect to Reports

Minutes of the Previous Stockholders' Meeting

Action is to be taken on the reading and approval of the minutes of the Annual Meeting of the Stockholders held on May 22, 2015. Other matters for the forthcoming Annual Stockholders Meeting include the approval of the Audited Financial Statements for the year ended December 31, 2015, and the ratification of all acts, proceedings and resolutions of the Board of Directors, the Executive Committee and of the officers and management from date of the last meeting. The minutes of the Annual Meeting of the Stockholders held on May 22, 2015 and the relevant resolutions approved by the Board of Directors for ratification of the stockholders are attached as "**Annex C**".

A vote for the approval of the minutes, the Audited Financial Statements for the year ended December 31, 2015, and the ratification of all acts, proceedings and resolutions of the Board of Directors, the Executive Committee and of the officers and management from date of the last annual meeting is recommended.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the Meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws, or Other Document

None

Item 18. Other Proposed Action

There are no further actions required which would need disclosure.

Item 19. Voting Procedures

Stockholders as of April 6, 2016 may vote at the Annual Stockholders' Meeting on May 27, 2016. Stockholders have the right to vote in person or by proxy. Registration of stockholders and proxies attending the Meeting will open at [12:00 noon of May 27, 2016].

Approval of the matters requiring stockholder action as set forth in the Agenda and this Information Statement would require the affirmative vote of stockholders owning at least a majority of the outstanding voting capital stock.

For the election of Directors, the eleven (11) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply. Each stockholder as of April 6, 2016 may vote the number of shares registered in his name for each of the eleven (11) Directors to be elected, or he may multiply the number of shares registered in his name by eleven (11) and cast the total of such votes for one (1) Director, or he may distribute his votes among some or all of the eleven (11) Directors to be elected.

The Company will distribute to shareholders not later than May 6, 2016 the Information Statement and proxy form. The proxy form contains each item on the Agenda that requires shareholders to vote "YES", "NO" or "ABSTAIN". In the case of the election of directors, the names of each of the nominees are listed in the proxy with space for the shareholder to indicate his or her vote for or against each of the nominees. The vote of the shareholders who submitted proxies for each item on the Agenda will be tallied by Prime Stock Services, Inc. ("Prime Stock"), the Company's stock transfer agent.

The voting at the Stockholders' Meeting will be by balloting. Shareholders who are present and did not submit proxies before the meeting will be given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the stockholder to represent him at the Meeting will be provided with ballots for casting in accordance with the stockholder's instructions, as indicated in the proxy.

Ballots will be tabulated by the Company's stock transfer agent, Prime Stock, under the guidance and supervision of the Corporate Secretary. Results of the voting by shareholders will be announced for each item on the Agenda requiring the vote of shareholders. The tabulation and results of the voting shall be duly disclosed and shall be made available on the Company's website on the business day following the meeting.

This voting procedure shall also be announced at the start of the meeting.

For all other matters to be taken up, majority vote of the outstanding capital stock present and represented at the Meeting, where a quorum exists, shall be sufficient.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in Makati on _____.

By:

ALSONS CONSOLIDATED RESOURCES, INC.

Issuer

LUIS R. YMSON, JR.
Chief Financial Officer

Date:

4/13/16

ANNEX A

ALSONS CONSOLIDATED RESOURCES, INC.

MANAGEMENT REPORT

for the
2016 Annual Meeting of Stockholders
Pursuant to SRC Rule 20[4] [B]

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

REVIEW OF CURRENT YEAR 2015 vs. 2014 OPERATIONS

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

1. Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of ₱5,022 million in 2015, is lower than the ₱5,180 million reported in 2014. The 3% decline was due mainly to the lower energy fees brought about by the lower indices during the year in spite of higher energy sales volume generated by the 3 power plants of the Company.

Cost of services was reported at ₱3,072 million, 13% lower than the ₱3,548 million in 2014. The change in depreciable life of the power plants of SPPC and WMPC from original ECA period to another 10 years caused the decline in costs of services.

Gross profit improved by 20% in 2015 to ₱1,950 million from ₱1,632 million in 2014 due to lower costs.

General and administrative expenses was also lower in 2015 at ₱434 million from ₱467 million in 2014 due mainly to lower taxes and licenses. Operating profit as a result significantly improved at ₱1,516 million from ₱1,165 million reported in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) was lower in 2015 at ₱1,591 million from ₱2,088 million in the previous year due mainly to the foreign exchange loss incurred when the Company settled its US Dollar-denominated liability in 2015 at a higher Philippine Peso translation compared to the US Dollar.

Meanwhile, interest income was 8% higher in 2015 at ₱24 million from ₱22 million in 2014 due mainly to the higher cash placements made during the year. Interest expense was 57% higher at ₱324 million in 2015 from ₱207 million in 2014, the interest expenses incurred for the project loan was capitalized to power plant cost of SEC that is currently under completion during the year.

On the other hand, the Company realized a net other charges of ₦84 million in 2015 from an income of ₦109 million in 2014. The foreign exchange losses of a US Dollar-denominated debt caused the downturn in other income (charges) account.

Core income without the effect foreign exchange was however improved 23% from ₦741 million to ₦909 million and the net income attributable to the Company of ₦0.064 per share, 14% higher than last year of ₦0.056 per share.

The non-recurring foreign exchange loss, however dampened the Company's net income to ₦691 million, 5% lower than last year's net income of ₦727 million. The earnings attributable to the equity holders of the parent were reduced to ₦189 million from last year's ₦359 million. As a result, basic earnings of ₦0.030 per share decreased from ₦0.057 per share in 2014.

2. Financial Position

As of December 31, 2015, total resources of ACR and Subsidiaries remained strong at ₦30,166 million, increasing by 17% versus the ₦25,725 million level reported in 2014.

Current assets grew by 1%, from ₦7,843 million to ₦7,903 million. The increment came largely from the increase in cash and cash equivalents of Sarangani Energy Corporation ("SEC" or "Sarangani Energy") as well as higher prepaid expenses, and deposit in interest reserve account on the Fixed Rate Corporate Note (FXCN) of the Company. Similarly, noncurrent assets rose by 24%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities decreased by 18% in 2015, from ₦2,463 million to ₦2,025 million, largely on account of lower current portion of long-term debt and accounts payable and accrued expenses. Noncurrent liabilities escalated by 36%, as SEC drew from its project loan to finance its capital expenditures as well as the availment by the Company of its FXCN Facility with various noteholders.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.90:1 in 2015 versus the 3.20:1 level in 2014, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 1.47:1 to 1.85:1.

Meanwhile, net cash inflows from operating activities decreased 31% from ₦1,977 million in 2014 to ₦1,368 million in 2015, as a result of higher acquisition of spare parts and supplies as well as prepaid expenses with a combined amount of ₦792 million during the year. Together with net cash inflows from financing activities amounting to ₦1,958 million, largely from loan availments, available funds totaled ₦3,301 million in 2015, were used for power plant project construction of SEC 1 amounting to ₦1,520 during the year. The net cash balance after accounting for the above changes reached ₦3,940 million, 57% higher than last year's ₦2,512 million in the previous year.

3. Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2015 showed continues improvement in core income at ₱909 million compared to the ₱741 million earned in 2014. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Table 5 – Comparative KPIs (2015 Vs. 2014)

Financial KPI	Definition	Calendar Year	
		2015	2014
Profitability			
Revenues		₱5,022	₱5,180
EBITDA		₱1,591	₱2,088
EBITDA Margin	EBITDA ÷ Net Sales	32%	40%
Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	7%
Net Earnings Attributable To Equity Holders		₱188	₱359
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	27%	40%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	8%	18%
Debt-To-Equity Ratio		1.85:1	1.47:1
Current Ratio	Current Assets ÷ Current Liabilities	3.90:1	3.20:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company decreased from ₱2,088 million to ₱1,591 million in 2015. EBITDA Margin also decreased from 40% in 2014 to 32% in 2015 due mainly to non-recurring foreign exchange loss during the year resulting from the settlement of the Company's US Dollar-denominated debt.

Return on equity (ROE) stood at 7% for both years. Net income attributable to the equity holders of the parent decreased to ₱188 million from ₱359 million in 2014 due to the above non-recurring loss during the year. The Company's core income however, improved to ₱909 million from last year's ₱741 million

Efficiency

The Company's operating expense ratio decreased to 77% in 2015 from 40% in 2013. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant, which is a non-controllable item.

Liquidity

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

Description Of Key Performance Indicators:

- a. **Revenues.** Revenue is the amount of money that the Company and its subsidiaries receive arising from their business activities and is presented in the top line of the consolidated statements of income. The present revenue drivers of the Company are: (i) Energy and power; and (ii) Real estate. Revenue growth is one of the most important factors that management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making sound investment decisions.
- b. **EBITDA.** The Company computes EBITDA as earnings before 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.
- c. **Net Earnings Attributable to Equity Holders of Parent.** Net income attributable to shareholders is one more step down from net income on the consolidated statements of income. The net income of a company is all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.
- d. **Debt-to-Equity Ratio.** This measures the Company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.
- e. **Current Ratio.** Current ratio is a measurement of liquidity computed by dividing current assets by current liabilities. It is an indicator of the Company's ability to meet its current maturing obligations. The higher the ratio, the more liquid the Company presents.

SIGNIFICANT DISCLOSURES

Please refer to **Annex D** of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Annex D and the disclosures made by the Company in its Audited Consolidated Financial Statements, it is not aware of the following:

1. Unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence;
2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period;

3. Issuance and repurchase of equity securities;
4. Segment revenues and segment results for business segments and geographical segments;
5. Changes in contingent liabilities or contingent assets since the annual balance sheet date;
6. Existence of material contingencies and other transaction events that are material to an understanding of the current period;
7. Known trends, commitments, events, and uncertainties that will result in or likely to decrease its liquidity in a material way. ACR does not anticipate having, within the next twelve (12) months, any cash flow or liquidity problem nor does it anticipate any default or breach of any of its existing notes, loans, other indebtedness, or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, ACR expects to meet all financial loan covenants for the next interim period;
8. Events that will trigger direct or contingent material financial obligations to the Company;
9. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year;
10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations;
11. Significant elements of income or loss that did not arise from the Company's continuing operations;
12. Material events subsequent to the end of the reporting period that have not been reflected in the consolidated financial statements;
13. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments and discontinuing operations;

NOTES TO FINANCIAL STATEMENTS

Accounting Policies and Principles

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2015 and 2014 are presented in accordance with Philippine Financial Reporting Standards (PFRS) applied on a consistent basis.

Seasonality Aspects of the Business

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

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 57% Increase

The growth in cash and cash equivalents (2015: ₱3,940 million vs. 2014: ₱2,512 million) was principally due to receipt of the loan proceeds by Sarangani Energy and the Company that remain unused as of the end of 2015. Cash generated from operations during the year was ₱1,368 million, 31% lower than previous year's ₱1,976 million. The proceeds of loan presented in the financing activities amounting to ₱9,338 million was used to finance the on-going construction of the first phase of SEC's power plant.

2. Short-term cash investments, 402% Increase

Short-term cash investments increased (2015: ₱173 million vs. 2014: ₱34 million) due to funds from operating activities

3. Trade and other receivables, 56% Decrease

The decrease was due to the conversion of a due from related party into an investment in preferred shares amounting to ₱2.2 billion.

4. Spare parts and supplies, 105% Increase

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

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

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

6. Noncurrent portion of installments receivables, 14% Decrease

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

7. Property, plant and equipment, 17% Increase

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

8. AFS financial assets, 1,904% Increase

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

9. Goodwill, 5% increase

The change in the amount of goodwill was due mainly to the change in foreign exchange rate of Philippine ₱ vis-à-vis the US \$ from ₱44.72 in 2014 to ₱47.06 in 2015.

10. Retirement plan assets, 36% Decrease

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

11. Deferred Tax Assets, 55% Decrease

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

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

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

13. Loans payable, 15% Increase

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

14. Income tax payable, 46% Decrease

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

15. Derivative liability, 100% Decrease

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

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

The increment was due to the drawdown from the project loan facility of SEC during the year as well as the availment of a ₱7.2 billion FXCN Facility and the settlement of the US\$100 million UBS loan of the Company.

17. Retirement liabilities, 13% Decrease

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

REVIEW OF 2014 vs. 2013 OPERATIONS

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

1. Revenues and Profitability

ACR and Subsidiaries posted consolidated revenues of ₦5,180 million in 2014, higher than the ₦3,344 million reported in 2013. The 55% growth was mainly due to the full year commercial operations of MPC in 2014 adding ₦2,958 of revenues. MPC was re-acquired in February 2013 and started commercial operation in September that year.

Cost of services was reported at ₦3,537 million, 79% higher than the ₦1,978 million in 2014. MPC spent ₦2,256 million for its full year fuel requirements in 2014 vis-à-vis the ₦977 million incurred for the four (4) months operations in 2013.

Nonetheless, gross profit improved by 21% in 2014 to ₦1,632 million from ₦1,345 million in 2013 due to higher revenues.

General and administrative expenses was higher in 2014 at ₦467 million from ₦363 million in 2013 due mainly to higher business taxes, a non-controllable item. In spite of this, operating profit still improved by 18% to ₦1,164 million from ₦983 million reported in previous year.

Furthermore, earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, which represented 40% of total revenues reached ₦2,088 million, 27% higher than the ₦1,640 million realized in 2013.

Meanwhile, interest income was 12% lower in 2014 at ₦22 million from ₦25 million in 2013 due mainly to the lower cash placements made during the year. In contrast, interest expense was 73% higher at ₦207 million in 2014 from ₦119 million in 2013, as a result of higher loan availments.

On the other hand, the Company realized other income of ₦109 million in 2014 versus a reported loss of ₦49 million in 2013. Last year's other losses stemmed principally from the ₦101 million equity in net loss of its investment in Indophil as well as foreign exchange losses of ₦47 million resulting from the revaluation of US Dollar-denominated liabilities of the Company.

The net income attributable to the equity holders of the parent was reported at ₦359 million, 9% lower than the ₦395 million income in 2013. As a result, basic earnings of ₦0.057 per share decreased from ₦0.063 per share in 2013.

Without the ₦146 million one-time gain arising from the disposal of Lima Land, Inc. (LLI) in 2013, current year's level was 44% better. Correspondingly, basic earnings from continuing operations of ₦0.057 per share in 2014 was higher than the 2013 level of ₦0.040 per share.

2. Financial Position

As of December 31, 2014, total resources of ACR and Subsidiaries remained robust at ₦25,725 million, increasing by 43% versus the ₦17,989 million level reported in 2013.

Current assets grew by 14%, from ₦6,841 million to ₦7,765 million. The increment came largely from the increase in SEC's cash and cash equivalents as well as higher prepaid expenses, mainly

value added tax. Similarly, noncurrent assets rose by 61%, representing capital expenditures incurred for the on-going construction of the power plant.

On the other hand, current liabilities increased by 4% in 2014, from ₦2,367 million to ₦2,462 million, largely on account of higher trades payable. Noncurrent liabilities likewise escalated by 144%, as SEC drew from its project loan to finance its capital expenditures.

Accordingly, ACR's balance sheet remained strong with a current ratio at 3.15:1 in 2014 versus the 2.89:1 level in 2013, and continued to be underleveraged despite an increase in its debt-to-equity ratio, from 0.73:1 to 1.47:1.

Meanwhile, net cash inflows from operating activities decreased by 5%, from ₦2,090 million in 2013 to ₦1,977 million in 2014, as the 2013 balance included funds realized from discontinued operations. Together with net cash inflows from financing activities amounting to ₦5,693 million, largely from loan availments, available funds totaled ₦7,670 million in 2014. On the other hand, net cash outflows used in investing activities, mainly for the construction of the SEC power plant, amounted to ₦6,552 million. Including the effect of foreign exchange rate changes, ACR's consolidated cash reached ₦2,512 million, significantly higher than the 2013 balance of ₦1,422 million.

1. Key Performance Indicators (KPI)

The Company's financial KPI for the year ended December 31, 2014 showed significant improvement compared to 2013 as follows: (Amounts in million pesos, except ratios)

Table 6 – Comparative KPIs (2014 Vs. 2013)

Financial KPI	Definition	Calendar Year	
		2014	2013
Profitability			
Revenues		₱5,180	₱3,344
EBITDA		₱2,088	₱1,640
EBITDA Margin	EBITDA ÷ Net Sales	40%	49%
Return on Equity	Net Income ÷ Total Average Stockholders' Equity	7%	7%
Net Earnings Attributable To Equity Holders		₱359	₱395
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	40%	37%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	18%	46%
Debt-To-Equity Ratio		1.47:1	0.73:1
Current Ratio	Current Assets ÷ Current Liabilities	3.15:1	2.89:1
Profitability			
Revenues		₱5,180	₱3,344
EBITDA		₱2,088	₱1,640
EBITDA Margin	EBITDA ÷ Net Sales	40%	49%

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increase from ₱1,640 million to ₱2,088 million in 2014. EBITDA Margin however, decreased from 49% in 2013 to 40% in 2014 due to higher revenues during the year.

Return on equity (ROE) stood at 7% for both years. Net income attributable to the equity holders of the Parent from continuing operations improved to ₱359 million from ₱249 million in 2013 as the Company's core income continue to improve.

Efficiency

The Company's operating expense ratio decreased to 37% in 2014 from 44% in 2013. Operating expenses in 2014 was higher due mainly to the higher real property taxes charged to the newly rehabilitated MPC plant which is a none-controllable item.

Liquidity

As a result of additional project loan drawdowns during the year, financial debt increased by 1.2x. Consequently, net debt coverage decreased to 18% from last year's 46%. Current ratio on the other hand improved to 3.15:1 from last year's 2.89:1.

NOTES TO FINANCIAL STATEMENTS

Accounting Policies and Principles

The consolidated financial statements of ACR for the years ended December 31, 2013 and 2012 are presented in accordance with PFRS applied on a consistent basis.

Seasonality Aspects of the Business

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

Material Changes in Balance Sheet Accounts 5% or More

1. Cash and cash equivalents, 77% Increase

The growth in cash and cash equivalents (2014: ₱2,512 million vs. 2013: ₱1,422 million) was principally due to receipt of the loan proceeds by Sarangani Energy that remain unused as of the end of 2014. Cash generated from operations during the year was ₱1,977 million, 5% lower than previous year's ₱2,090 million. The proceeds of loan presented in the financing activities amounting to ₱9,690 million was used to finance the on-going construction of the first phase of SEC's power plant.

2. Short-term cash investments, 291% Increase

Short-term cash investments increased (2014: ₱34 million vs. 2013: ₱9 million) due to funds from operating activities

3. Trade and other receivables, 7% Decrease

With the full 2014 commercial operations of MPC, trade receivables increase (2014: 762 million vs. 2013: 610 million) generated during the year. Meanwhile, due from related parties the advances to its major shareholders decrease (2014: 2,945 million vs. 2013: 3,208 million), resulting from settlements during the year. The advances were subject to certain provisions, including interest and terms of repayment.

4. Spare parts and supplies, 18% Increase

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

5. Noncurrent portion of installments receivables, 20% Decrease

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

6. Property, plant and equipment, 101% Increase

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

7. AFS financial assets, 110%, Increase

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

8. Retirement plan assets, 10% Decrease

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

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

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

10. Loans payable, 67% Decrease

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

11. Income tax payable, 19% Increase

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

12. Derivative liability, 27% Decrease

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

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

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

14. Retirement payable, 21% Decrease

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

15. Asset retirement obligation, 15% Decrease

The decline was due to the change in estimate resulting from discount rate changes. The assessment was based on best estimate of cash flows acquired to settle the obligation on an annual basis. The change in estimate resulted to a decrease in this account by \$19 million.

BUSINESS AND GENERAL INFORMATION

THE BUSINESS

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

In 1994, the Alcantara Group, through Alsons Power Holdings Corporation (APHC), acquired a 55.80% interest in Tegre through a swap of APHC's 50.78% stake in Northern Mindanao Power Corporation (NMPC). The Securities and Exchange Commission (SEC) formally approved the stock swap on March 4, 1995 together with the increase in the Company's authorized capital stock from ₱1 billion to ₱3 billion.

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

On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result of this reorganization, some of the Alcantara Group's established businesses became majority or minority owned subsidiaries of ACR and the Company's authorized capital was further increased from ₱3 billion to ₱12 billion.

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

Energy and Power

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

ACR also formed Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011 which will be the operations and maintenance Company of SEC and SRPI once these plants become operational.

ACR also has a wholly owned subsidiary, Alsons Power International Limited (APIL), which handles the development of the power plant projects of ACR outside the country.

The three (3) operating power generation subsidiaries, Western Mindanao Power Corporation (WMPC) and Southern Philippines Power Corporation (SPPC) and Mapalad Power Corporation (MPC) are all located in Mindanao.

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

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

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

Expected to play a prominent role in assuring adequate and economic power supply to the Mindanao Grid is the 210MW Coal-Fired Power Station Project Section 1 in Maasim, Sarangani, which ACR is presently constructing the first 105MW through its subsidiary, Sarangani Energy Corporation (SEC). On December 10, 2012, ACR entered into a Shareholders Agreement with Toyota Tsusho Corporation (TTC) of Japan, wherein TTC agreed to subscribe 25% of the total equity of SEC. The construction is currently undertaken by Daelim Industrial Co., Ltd. of Korea and Daelim Phils., Inc. Commercial operations is expected to commence on second quarter of 2016. Construction of Section 2 is expected to start before the end of 2016. In addition, ACR is also developing through a subsidiary, San Ramon Power Corporation (SRPI), a 105MW Coal-Fired Power Station Project (ZAM100) in Zamboanga City. ZAM100 will supply power to Zamboanga City and other parts of the Zamboanga Peninsula. SRPI obtained its Environmental Compliance Certificate (ECC) on March 20, 2012.

Property Development

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

The Eagle Ridge Golf & Residential Estate (Eagle Ridge) is a joint venture between ALC and Sta. Lucia Realty Development, Inc. The Fil-Estate Group of Companies primarily handles the sale of its golf shares and residential lots. Eagle Ridge is a 700-hectare project located in Gen. Trias, Cavite. The only Golf Club in the Philippines with four completed signature golf courses and three fully operational clubhouses, Eagle Ridge has superior facilities that cater not only to golfers but also to their families and guests.

To maximize the use of its remaining land holdings, ALC is also engaged in the development of other types of housing products. Re-packaging its properties to better suit emerging market niches in the property sector, ALC launched “Campo Verde”, a joint venture project with Sunfields Realty

Development, Inc. The 11-hectare property is located inside LTC and an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish themed homes that are ideal for young to growing families. The model house choices range from: Condesa with a lot area of 90 square meters and floor area of 36 square meters; Duquesa with a lot size of 100 square meters and a floor area of 50 square meters; and, Reina with 120 square meter-lot and a floor area of 80 square meters. To date, ALC is focusing in selling its remaining inventories.

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

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

Other Investments

In 2007, ACR infused capital in ACR Mining Corporation (ACR Mining) amounting to ₱195 million to support the latter's acquisition of the 75% interest of Alsons Development and Investment Corporation (Aldevinco), one of its major stockholders, in the Joint Venture with Southern Exploration Corporation (SECO) to explore and develop the Manat Mining Claims situated in the provinces of Davao del Norte and Compostela Valley. ACR Mining was formerly known as ACR Management Corporation. Its initial activity involved the acquisition of Alsons Development & Investment Corporation's interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial No. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipality of Nabunturan, Province of Compostela Valley and in the Municipality of Maco, Province of Davao del Norte. Previous exploration work at the project area identified three sub-parallel NW trending mineralized structures: Pagtulian, Katungbuan/Taglayag, and Magas. Detailed work on the Magas Vein Zone (MVZ) so far revealed an estimated inferred resource of 2.7 million tons containing: 2.8 g/t gold, 26 g/t silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On May 24, 2015, the Board of Directors approved and declared ACR Mining as property dividend of record date of June 5, 2015. The Securities and Exchange Commission approved the Certificate of Filing the Notice of Property Dividend on August 11, 2015. The Bureau of Internal Revenue issued its Certificate Authorizing Registration on February 22, 2016.

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

OTHER INFORMATION

Business Segments Contribution to Revenues

Table 7 – The contribution of each segment of the business to the consolidated revenues of the Company are as follows:

	<i>(Amounts in Thousand PhP)</i>			<i>% to Total</i>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Energy and Power	₱5,002,696	₱5,159,454	₱3,316,193	100%	100%	99%
Property Development	19,000	20,617	27,343	0%	0%	1%
	₱5,021,696	₱5,180,071	₱3,343,536	100%	100%	100%

Income from foreign sources amounting to ₱25 million in 2015 and 2014 and ₱27 million in 2013 represents fees from technical advisory services related to the operation and maintenance of a power plant in Indonesia.

Competition

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

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

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

Sources and Availability of Raw Materials and Supplies

Materials and supplies used by SPPC for power generation include fuel and lubricating oils. The National Power Corporation (NPC) provides the fuel oil while Pilipinas Shell Petroleum Corporation directly supplies the lubricating oil requirements of the plants until April 2016. Wartsila Corporation of Finland supplies the engine parts and major maintenance services needed by the plants.

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

Dependence on a Single or a Few Customers

The SPPC and WMPC companies' sole customer used to be NPC through BOO arrangements. WMPC's ECA with NPC ended on December 12, 2015. SPPC's ECA with NPC will end on April 28, 2016. MPC and SPPC have secured, or are securing, Power Supply Agreements with various distribution utilities. Alto Power Management Corp. (APMC), a subsidiary of ACR, provides the plant and operation management services to SPPC, WMPC and MPC. Also, APMC International Ltd., a wholly owned subsidiary of APMC, provides Operations and Maintenance management services to PT Makassar Power Indonesia until April 2016.

MPC has fully contracted for 3 years its 103MW capacity to several electric cooperatives in Mindanao and Holcim. MPC increased its operating capacity by 5MW in March 2014 upon the completion of the rehabilitation of the 12th unit. The additional capacity has already been contracted with ZANECO with the same terms as other electric cooperatives.

The Property Development and other businesses of ACR are not dependent on a single or few customers and the loss of one or a few customers will have no material adverse effect on the Company and its subsidiaries

Effect of Existing or Probable Governmental Regulations on the Business

Republic Act No. 9136, the Electric Power Reform Act (EPIRA), and its Implementing Rules and Regulations (IRR), provide for significant changes in the Power Sector which includes among others:

- a. The unbundling of the generation, transmission, distribution and supply of power and other disposal assets, including its contract with IPP and electricity rates;
- b. Creation of a Wholesale Electricity Spot Market (WESM) within one year; and,
- c. Open and nondiscriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides: (i) cross ownership restrictions between transmission and generation companies and between transmission and distribution companies; and, (ii) a cap of 50% on the demand of a distribution utility sourced from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA; and (iii) specifically relating to generation companies, a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

Research and Development

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

Employees

As of December 31, 2015, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 412 employees, broken down as follows: 4 executives, 21 managers, 105 supervisors and 282 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

Bankruptcy Proceedings

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

Cost and Effect of Compliance with Environmental Laws

As a holding company, ACR engages only in projects and activities that comply with environmental laws. Its power subsidiaries follow the regulations embodied in the EPIRA. All its plants meet the exhaust emission standards set by DENR. Compliance with existing environmental laws has corresponding costs, which include expenditures for the following: 1) renewal fees for the DENR permit/license to operate; 2) exhaust emission tests and monitoring (costs covered by the environmental guarantee fund), 3)

environmental monitoring fund (SPPC ₱500,000 and WMPC ₱586,000), and 4) environmental guaranty fund (SPPC ₱500,000 and WMPC ₱598,000). SPPC has spent for desulfurization facilities amounting to ₱11,785. The Company meets all governmental, environmental, health and safety requirements. The Company's operating units are regularly inspected and have not experienced significant governmental, environment, health or safety problems. For the past three years, the total amounts spent in complying with environmental laws by the subsidiaries are as follows: (1) ₱5,130,967 in 2015; (2) ₱6,721,230 in 2014; and, (3) ₱3,270,768 in 2013.

Investment Acquisition

On October 9, 2015, the Board of Directors approved the subscription to Non-Voting Preferred Shares in ALDEVINCO amounting to ₱2.2 billion. The preferred shares are entitled to receive out of the unrestricted retained earnings of the ALDEVINCO, cumulative dividends at the rate of 4% per annum of the par value of the Preferred Shares, before any dividends shall be paid to holders of the Common Shares.

On February 27, 2013, CHC acquired from the Iligan City Government, the 98 MW Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II valued at ₱387million. MPC rehabilitated the two plants at total cost of ₱800 million, the capacity has now increased to 103MW

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

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

On December 11, 2015, the Company entered into a Deed of Assignment of Shares (share swap) agreement with APIC, whereby the former assigned and transferred to the latter all its interest in IRNL in exchange for ownership interest in IRPI. Accordingly, the Company recognized the investment in IRPI amounting to ₱1,213 million representing the carrying value of the investment at date of the share swap agreement.

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

Mr. Nicasio I. Alcantara, Director of AC and Alsons Development & Investment Corporation, has been Indophil's non-executive Director since December 2011. Mr. Paul G. Dominguez on the other hand, is

also a member of the Board of Directors of Alsons Development and Investment Corporation and is presently the Chairman of IRPI.

Risks

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

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

1. Foreign Exchange Rate Fluctuations

The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S. Dollar and other foreign currencies. The spare parts and insurance of SPPC and WMPC are denominated in U.S. Dollars. The Company keeps a portion of its short-term investments in foreign currency to serve as a hedge in foreign exchange fluctuations.

2. Interest Rate Risks

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

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

3. Liquidity Risks

The Company and its subsidiaries carefully manage their liquidity position to be able to finance their working capital, debt service, and capital expenditure requirements. Sufficient levels of cash and short-term money market placements are maintained to meet maturing obligations. Management regularly monitors and forecasts its cash commitments, matches debt payments with cash generated from the assets being financed, and negotiates with creditors on possible restructuring or re-financing of existing loans to avail of better terms and conditions.

4. Credit Risks

ACR and subsidiaries transact only with companies and institutions that are in a sound financial position and have demonstrated good credit standing. The power companies' receivables are largely from the National Power Corporation ("NPC"), and the collection of which has been current and up-to-date except for SPPC's account receivable from NPC consisting of US\$7,336,536.91 and ₱96,255,433.46 plus interests from April 25, 2005 to April 25, 2010, which NPC has appealed to the Supreme Court. On the other hand, receivables of the property companies come from installment sales of industrial/residential lots and housing units. Receivable balances are monitored regularly and allowance provisions are reviewed to ensure limited exposure to bad debts.

Further discussion on the Company's financial risk management objectives and policies is contained in Note 33 of the Consolidated Financial Statements.

DESCRIPTION OF PROPERTIES

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

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

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

All of these properties are in good condition.

Table 8 – Property, Plant and Equipment (consolidated)

<i>(Amounts in Thousand Pesos)</i>	December 31, 2015	December 31, 2014
Main Engine of Power Plant	₱7,897,194	₱7,923,546
Land, Buildings and Leasehold Improvements	4,417,171	818,286
Plant Mechanical, Switchyard and Desulfurization Equipment	872,079	4,417,171
Machinery and Other equipment	344,929	337,278
Construction in Progress	13,297,824	10,907,983
Cumulative Translation Adjustments	(2,413,269)	(2,446,672)
Total	24,415,928	21,957,592
Less: Accumulated Depreciation and Amortization	(8,739,796)	(8,547,049)
Net Book Value	₱15,676,132	₱13,410,543

LEGAL PROCEEDINGS

Southern Philippines Power Corporation (SPPC) has long-outstanding receivable that are disputed by NPC and was decided upon by the Energy Regulation Commission (ERC). On June 3, 2013, ERC decided in favor of SPPC. On June 23, 2013, NPC elevated the case to the Court of Appeals (CA). On August 17, 2015, CA denied NPC's motion for reconsideration and decided in favor of SPPC. On September 18, 2015, NPC had elevated the case with the Supreme Court (SC). As of the date of this Information Statement, SPPC has yet to receive the official decision from SC.

Some of the subsidiaries or affiliates of the Company are also from time to time involved in routine litigation as well as various legal actions incidental to their respective operations as follows. However, in the opinion of the Company's management, none of these legal matters, in which its subsidiaries or

affiliates are involved, will be material to the Company's financial condition and results of operations. Refer to Note 35 of the Consolidated Notes to Financial Statements attached to this report for detailed description.

SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

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

OPERATIONAL AND FINANCIAL INFORMATION

Market Price of and Dividends on the Registrant's Common Equity

1. Market Information

The public trading price of the Company's common shares for the last three (3) year in the Philippine Stock Exchange are as follows:

Table 9 – Market Price of ACR Shares

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High Low	₱1.60 1.19			
2015	High Low	2.36 1.94	₱2.26 1.87	₱1.98 1.41	₱1.76 1.33
2014	High Low	1.50 1.27	2.30 1.40	2.20 1.90	2.12 1.93
2013	High Low	1.58 1.22	1.45 1.25	1.51 1.31	1.44 1.25

Stock Price as of April 6, 2016 was at ₱1.39 per share.

2. Stockholders

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

Table 10 – Top Twenty (20) Stockholders

	<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1.	Alsons Corporation	2,592,524,072	41.21%
2.	Alsons Power Holdings Corp.	1,249,999,600	19.87%
3.	Alsons Development and Investment Corp.	1,188,524,026	18.89%
4.	PCD Nominee Corporation (Filipino)	1,140,489,577	18.12%
5.	PCD Nominee Corporation (Non-Filipino)	75,624,000	1.20%
6.	Rennie C. Tan	7,000,000	0.11%
7.	Felicísimo I. Alcantara	6,027,574	0.09%
8.	SEC Account No. 2 fao: Various Customers of Guoco Securities	2,090,000	0.03%
9.	All Asia Capital Trust & Investment Division	1,830,000	0.03%
10.	EBC Securities Corporation	1,030,000	0.02%

11. Felipe A. Cruz, Jr.	1,000,000	0.02%
11. Nora T. Go	1,000,000	0.02%
12. First Integrated Capital Securities, Inc. (555300)	900,000	0.01%
13. First Integrated Capital Securities, Inc. (555200)	795,000	0.01%
14. Ansaldo, Godinez & Co., Inc.	755,000	0.01%
15. George Go	750,010	0.01%
16. AACTC FAO Trinity Investment	680,000	0.01%
17. Esteban Yau	600,000	0.01%
18. Roy C. Tia	513,000	0.01%
20. S. J. Roxas & Co., Inc.	507,000	0.01%
20. Antonio Co	500,000	0.01%
20. Mendoza, Martinez &/or Alberto Mendoza	500,000	0.01%
20. Quiambao, Antonio S.	500,000	0.01%
20. Roqueza, Ricardo S.	500,000	0.01%
20. San Jose, Roberto V.	500,000	0.01%
20. Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%
20. Western Guaranty Corporation	500,000	0.01%
Total shares of top 20	6,275,671,859	99.75%

3. Dividends

Declaration of dividends is subject to approval by the Board of Directors. In its Board meeting held on May 22, 2015, the Board approved the payment of cash dividends of ₱0.008 per preferred share and ₱0.01 per common share to stockholders of record on June 5, 2015 and a property dividend of one ACR Mining Shares for every 200 ACR Shares held. The cash dividends were paid on June 16, 2015 while the shares of stocks of the property dividend were distributed on March 22, 2016, 30 days after the release of the Certificate Authorizing Registration by the Bureau of Internal Revenue on February 22, 2016.

The historical dividend declarations are follows:

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

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

4. Sales of Unregistered Securities Within the Last Two (2) Years

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

CORPORATE GOVERNANCE

In compliance with the directive of the Securities and Exchange Commission and in view of the ASEAN Corporate Governance Scorecard Assessment, please refer to the attached ACGR.