

Financials

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended 31 December 2019
2. SEC Identification Number 59366 3. BIR Tax Identification No. 001-748-412
4. ALSONS CONSOLIDATED RESOURCES, INC.
Exact name of registrant as specified in its charter
5. Philippines 6. (SEC Use Only) _____
Province, country or other jurisdiction of incorporation Industry Classification Code: _____
7. Alsons Building, 2286 Don Chino Roces Avenue, Makati City, Philippines 1231
Address of principal office Postal Code
8. (632) 8982-3000
Registrant's telephone number, including area code
9. (Not applicable)
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of Each Class	Number of Shares of Common Stock
	Outstanding and Amount of Debt
	Outstanding
Common Stock ₱1.00 par value	6,291,500,000 Shares
11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes No
12. Check whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes No
 - (b) has been subject to such filing requirements for the past 90 days.
Yes No
13. Aggregate market value of the voting stock held by non-affiliates of the registrant:
₱1,159,063,836.32
Assumption: Based on Closing Price of ₱0.92 as of 30 April 2020 and on 1,259,851,996 shares.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

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

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

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

On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result, some of the Alcantara Group's established businesses became majority- or minority-owned subsidiaries of ACR, whose 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), Alsing Power Holdings, Inc. (Alsing), Alsons Renewable Energy Corporation (AREC), and Alsons Thermal Energy Corporation (ATEC). Conal owns all of ACR's diesel plant operating power generation businesses, namely: (1) Alsing Power Holdings, Inc. at 80%, (2) Alto Power Management Corporation at 60%, and (3) Mapalad Power Corporation at 100%. Alsing, in turn, owns 55% of: (a) Western Mindanao Power Corporation; and (b) Southern Philippines Power Corporation. Further, ACR directly owns 20% of Alsing. AREC, which was organized on September 18, 2014, is currently developing Siguil Hydro Power Corporation, Kalaong Hydro Power Corporation, Bago Hydro Resources Corporation and Sindangan Zambo-River Power Corporation, all in the business of renewable energy, and holds 100% of these entities. ATEC was organized on November 23, 2015, and ACR transferred its ownership in Sarangani Energy Corporation (Sarangani Energy) to ATEC on October 13, 2016.

ACR also formed Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011, and it serves as the operations and maintenance provider of Sarangani Energy and San Ramon Power, Inc. (SRPI). ACR transferred its ownership in ACES and SRPI to ATEC on October 12, 2016, and May 24, 2017, respectively.

On June 3, 2017, the Company signed an agreement with Global Business Power Corporation (GBP) for GBP to acquire a 50% less one share stake in ATEC. The Philippine Competition Commission approved the transaction on September 25, 2017, and the Deed of Absolute Sale was signed on

November 27, 2017. The partnership combines ACR's distinct knowledge of the Mindanao power market, development thru long years of experience as the island's first independent power producer and with GBP's track record as the leading power producer in the Visayas. The Company believes that this endeavor will greatly benefit power consumers particularly in light of the planned interconnection of the Mindanao and Visayas grids. The partnership will also give ACR the opportunity to pursue with greater strength its energy-based projects, particularly its renewable power generating plants in Mindanao and Western Visayas. This will also allow ACR to accelerate its foray and entry in other energy-related enterprises in Southern Philippines, including the smaller islands with promising growth in power demands.

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

The five (5) operating power generation subsidiaries, Western Mindanao Power Corporation (WMPC) and Southern Philippines Power Corporation (SPPC), Mapalad Power Corporation (MPC) and Sarangani Energy are all located in Mindanao.

WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City as a merchant plant after its 18-year "Build-Operate-Own" (BOO) arrangement with the National Power Corporation (NPC) expired in December 2015. SPPC owns a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 13 kilometers east of General Santos City. SPPC's 18-year BOO arrangement with NPC expired on April 28, 2016.

MPC rehabilitated the 103MW bunker-fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government and started operating these plants on February 27, 2013. MPC currently functions as a merchant plant and serves various electric cooperatives in Mindanao.

Sarangani Energy's 210MW coal-fired power plants are located in Maasim, Sarangani Province. Its first section of 105MW began commercial operations in April 2016, while its second section of another 105MW or Phase 2 started commercial operations on October 10, 2019.

ACR has also started construction of its first renewable energy project under Siguil Hydro Power Corporation, which will operate a 14.5MW run-of-river electricity generating facility located at the Siguil River basin in Maasim, Sarangani. ACR expects commercial operations to begin in 2022. The Company likewise began site development and clearing works for SRPI's 105MW coal-fired power plant project, which could supply power to Zamboanga City and other parts of the Zamboanga Peninsula, with commercial operations expected to begin in 2023.

Property Development

ACR is also engaged in Real Estate Development and Project Management through its subsidiary, Alsons Land Corporation or ALC. ALC continues to enhance its real estate portfolio thru investments in projects with immediate development potential. These include residential, commercial, mixed-use, and township and estate projects that have trading income activities (sale), high value recurring income businesses (rentals), Joint Venture arrangements and Asset Management opportunities.

Launched in November 25, 1994, ALC was involved in the development of Eagle Ridge Residential Estates, and the Eagle Ridge Golf and Country Club, in Cavite. The latter Club boasts of 72 holes in 4 golf courses, each designed by a world-class golf legend.

ACR also entered into a Joint Venture Agreement with Ayala Land Incorporated (ALI) to develop a 26-hectare world-class estate in Lanang, Davao City, Mindanao. The estate is set to be transformed into a master-planned, mixed-use community that will include residential low to mid-rise towers, commercial lots, offices, an events venue and a waterside cove with some retail components. A world-class medical facility will soon rise within the estate. The sustainable estate is set to be Davao's prime waterside community, encapsulating a life of fluidity and ease within a vibrant locality and a buoyant economy south of the country; a paramount destination for the best in home, business and lifestyle in Mindanao.

ALC continues to grow its residential business when it embarked on the expansion of its Campo Verde subdivision in Batangas, a joint venture project with Sunfields Realty Development, Inc. The initial project, which is an 11-hectare property located inside the Lima Technology Center, is close to selling out. This project is an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish-themed homes that are ideal for young to growing families. The model house choices range from: Condesa, with a lot area of 90 square meters and floor area of 36 square meters; Duquesa, with a lot size of 100 square meters and a floor area of 50 square meters; and Reina, with 120 square meter-lot and a floor area of 80 square meters.

Through ALC, ACR is also developing the Kamanga Agro-Industrial Economic Zone in the Municipality of Maasim, Province of Sarangani, where the power plant of Sarangani Energy is located. This "Ecozone" is accredited with the Philippine Economic Zone Authority (PEZA) as an agricultural and light-industry zone. Enterprises will be encouraged to set up their businesses in, or relocate to, this Ecozone to enjoy incentives prescribed by law through the PEZA. Kamanga Agro-Industrial Ecozone Development Corporation (KAIEDC) has successfully closed an agreement in December 2019 for the sale of 28-hectare property to a locator.

Other Investments

In 2007, ACR infused capital of ₱ 195 million in ACR Mining Corporation (ACR Mining), which was acquiring 75% interest in a joint venture between Alsons Development and Investment Corporation (ALDEVINCO), and Southern Exploration Corporation (SECO). This joint venture was organized to explore and develop the Manat mining claims, which are covered by Mineral Production Sharing Agreement (MPSA) No. 094-97-XL up to the year 2022, with an 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 identified three mineralized structures: Pagtulian, Katungbuan/Taglayag, and Magas. Detailed work on the Magas Vein Zone revealed an estimated inferred resource of 2.7 million tons containing: 2.8 grams per ton gold, 26 grams per ton silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On May 24, 2015, ACR's Board of Directors declared the shares of ACR Mining as a property dividend, with record date of June 5, 2015. The SEC approved the property dividend on August 11, 2015. The Bureau of Internal Revenue issued authorized the registration of the ACR Mining shares in the names of ACR's shareholders on February 22, 2016.

The Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau on October 2012. As of today, the Manat MPSA is in exploration phase development.

Status of publicly-announced new projects

1. The second phase of 105MW of the 210 MW Sarangani Energy power plant has started commercial operations on October 10, 2019. The President of the Philippines personally

inaugurated the plant and also attended the launching of the Siguil Hydro Power Corporation's 14.5 MW project. This hydro project is the beginning of ACR's venture into renewable energy projects..

2. The 105MW SRPI power plant in Zamboanga City received its environmental compliance certificate from the Department of Environment and Natural Resources in March 2012. The Company has begun site preparation and clearing works. The total project cost is estimated at ₱16 billion. SRPI is still negotiating with various banks to finance the project. Once in operation, the SRPI coal-fired power plant would be able to service Zamboanga City and other nearby areas.

The Company has no existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.

1. Business segments contribution to revenues

Table I – Revenue Contribution by Business Segment

	(Amounts in Thousand PhP)			% to Total		
	2019	2018	2017	2018	2018	2017
Energy and Power	₱6,783,110	₱6,637,810	₱6,494,069	100%	100%	100%
Property Development	12,986	28,461	24,832	0%	0%	0%
	₱6,796,096	₱6,666,271	₱6,518,901	100%	100%	100%

The Company had no income from foreign sources for the past 3 years.

2. Competition

A shift in the market forces has prompted a slowdown in sales for the Eagle Ridge Estates. Economic and affordable housing developments of Filinvest, Camella Homes, and Amaia have gained a foothold in the region.

While several power generation companies have either commenced construction of coal-fired power stations or announced plans to build them, Sarangani Energy 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, Sarangani Energy is assured of the market for its capacity.

The diesel power plants of WMPC and MPC are moderately contracted. These plants offer distribution utilities ideal peaking and insurance capacities due to their competitive pricing and proven performance over years of reliable operations. SPPC, on the other hand, has no current PSA, but the Company is exploring opportunities for relocating its engines to other locations. MPC is likewise considering relocating its available unutilized engines to other locations.

3. Sources and Availability of Raw Materials and Supplies

SPPC has not renewed Fuel Supply Agreement with Pilipinas Shell Petroleum that expired last September 1, 2019. MPC and WMPC each signed a Fuel Supply Agreement with Phoenix Petroleum Corporation for the supply of approximately 4 to 8 million liters of fuel per month for each plant. MPC's and WMPC's agreement is valid until March 2021.

WMPC and MPC has an agreement with Pilipinas Shell Petroleum Corporation for the supply of its lubricating oil, while SPPC's contract was terminated in 2018.

Wärtsilä Corporation of Finland supplies the engine parts and major maintenance services needed by the diesel plants.

Sarangani Energy Corporation has a fuel supply and transport agreement with Toyota Tsusho Corporation for low sulfur coal, or sub-bituminous coal, which is sourced from Kalimantan, Indonesia with net calorific value of 3,630 to 5,450 KCal per kilogram and its price based on GlobalCoal New Castle Index. The agreement is valid for 10 years from April 29, 2016 until 2026. The company is also procuring low sulfur coal via spot market or short term contracts with flexible pricing options with prices based on Global Coal New Castle Index, Indonesian Coal Index and or Fixed Price arrangements

4. Dependence on a Single or a Few Customers

WMPC and MPC have secured, or are securing PSAs with various distribution utilities, and are currently moderately contracted. SPPC has no current PSA, but is exploring opportunities for relocating its engines to other locations. Sarangani Energy, on the other hand, has secured 25-year PSAs with the following distribution utilities:

<u>Contracting Party</u>	<u>Contracted Capacity (MW)</u>
South Cotabato Electric Cooperative II, Inc.	70
Iligan Light and Power, Inc.	15
Cagayan Electric Power and Light Company, Inc.	20
Davao del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative, Inc.	15
Agusan del Norte Electric Cooperative, Inc.	10
Agusan del Sur Electric Cooperative, Inc.	10
Cotabato Electric Cooperative, Inc.	10
South Cotabato 1Electric Cooperative, Inc.	10
Zamboanga del Sur 1Electric Cooperative, Inc.	5
Zamboanga del Norte Electric Cooperative, Inc.	5

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, provided operations and maintenance management services to PT Makassar Power Indonesia until April 2016.

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

5. Effect of Existing or Probable Governmental Regulations on the Business

Republic Act No. 9136, the Electric Power Industry Reform Act of 2001 (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 independent power producers 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 its effectiveness. 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 effectiveness 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.

The second package of the tax reform program or the Corporate Income Tax and Incentives Rationalization Act (CITIRA), which is still subject to approvals, aims to rationalize the incentives system, with the hope that foreign investments will match or even surpass the incentives given, allowing net positive benefits to our country. Thus, additional requirements are proposed before a registered entity can avail certain tax incentives. such as the value-added tax (VAT) incentives on importation and domestic purchases.

The CITIRA proposes to grant VAT exemption on importation and VAT zero-rating on domestic purchases of capital equipment and raw materials used in the manufacturing and processing of products and importation of source documents of registered enterprises whose export sales meet the required threshold and are located within the ecozone, freeport, or utilizing customs bonded manufacturing warehouse.

If a registered enterprise's export sales are below the required threshold but is located within an ecozone, freeport, or is utilizing customs bonded manufacturing warehouse, the CITIRA likewise grants VAT exemption on importation and VAT zero-rating on domestic purchases of capital equipment and raw materials used in the manufacturing and processing of products to issue and transmit electronic receipts or sales or commercial invoices through designated electronic channels with a public certification system accredited by the Bureau of Internal Revenue. CITIRA will also reduce corporate income tax rate to 20 percent by 2029, from 30 percent at present. Based on management assessment, the reduction of income tax rates will provide positive impact to existing businesses and attract foreign investors to Kamanga Agro-Industrial Ecozone.

6. Research and Development

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

7. Employees

As of December 31, 2019, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 481 employees, broken down as follows: 15 executives, 20 managers, 120 supervisors and 326 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

8. Bankruptcy Proceedings

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

9. Cost and Effect of Compliance with Environmental Laws

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 Department of Environment and Natural Resources (DENR). Compliance with existing environmental laws has corresponding costs, which include expenditures for the following:

- a. renewal fees for the DENR permit/license to operate;
- b. exhaust emission tests and monitoring (costs covered by the environmental guarantee fund);
- c. environmental monitoring fund (SPPC ₱500,000 and WMPC ₱598,000); and,
- d. environmental guaranty fund (SPPC ₱500,000 and WMPC ₱508,000).

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) ₱2,022,841 in 2019; (2) ₱2,593,707 in 2018; and, (3) ₱2,940,145 in 2017

10. Investment Acquisition

On October 9, 2015, the Board of Directors approved the subscription to non-voting preferred shares in ALDEVINCO amounting to ₱2.2 billion. The preferred shares are entitled to receive, out of the unrestricted retained earnings of the ALDEVINCO, cumulative dividends at the rate of 4% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares. In 2018, ALDEVINCO declared dividends amounting to ₱264 million covering the years 2016 to 2018.

On August 27, 2019, the Board of Indophil Resources Phils, Inc. (IRPI) approved the equity call to all existing shareholders amounting to P52.50 per share. On September 30, 2019, ACR participated and paid IRPI P2,977,452 for the additional 56,715 common shares.

Item 2. PROPERTIES

DESCRIPTION OF PROPERTIES

The Company's energy and power operations are located in three different sites. WMPC's power plant is in a 9-hectare property in Sitio Malasugat, Sangali, Zamboanga City, while SPPC's plant is situated in a 16-hectare property located in Alabel, Sarangani Province, which is 13 kilometers east of General Santos City. The WMPC and SPPC properties are fully owned by the above-mentioned subsidiaries of ACR. CHC's power plants, which are operated by MPC, are on an 8-hectare property in the Municipality of Lugait, Misamis Oriental and in the City of Iligan. These power plants were acquired from the City of Iligan by CHC on February 27, 2013. The lots on which the power plants of CHC are located were acquired by MPC from ALDEVINCO in November 21, 2013. The Sarangani

Energy coal-fired power plants are located in Maasim, Sarangani Province. The real estate assets of KAIEDC are located in Maasim Sarangani Province.

The power assets were used as collateral in various loans, specifically: (1) CHC power plant and the real estate owned by MPC, were used as collateral for loans for the rehabilitation of the MPC power plants; and (2) Sarangani Energy's real estate and coal-fired power plants are mortgaged to its various lender banks.

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. In addition, ALC owns the property, including the improvement, Alsons Building, where the Company maintains its corporate headquarters.

The land development of Azuela Cove is located in Lanang Davao City.

All of these properties are in good condition.

Table II – Property, Plant and Equipment (consolidated)

(Amounts in Thousand PhP)	December 31, 2019	December 31, 2018
Main Engine of Power Plant Structures and Others	₱30,678,044	₱19,183,589
Plant Mechanical, Switchyard and Desulfurization Equipment	7,239,101	4,649,048
Land, Buildings and Leasehold Improvements	574,049	554,953
Machinery and Other equipment	1,398,804	915,938
Right of Use	810,204	-
Construction in Progress	35,274	12,425,399
Total	40,735,476	37,728,927
Less: Accumulated Depreciation and Amortization	(11,638,510)	(10,591,286)
Net Book Value	₱29,096,966	₱27,137,641

Item 3. RISKS

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

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

1. Foreign Exchange Rate Fluctuations

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

2. Interest Rate Risks

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

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

3. Liquidity Risks

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

4. Credit Risks

ACR and subsidiaries transact only with companies and institutions that are in a sound financial position and have demonstrated good credit standing. The power companies' receivables are from various electric cooperatives and the collection of which has been current and up to-date except for SPPC's long-outstanding receivables from NPC amounting to ₱123 million. These receivables pertain to the portion of accounts that was disputed by and was decided upon by the Energy Regulation Commission (ERC) on June 3, 2013 in favor of SPPC. On July 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 elevated the case with the Supreme Court (SC). On July 4, 2016, SC rendered a decision holding NPC liable to pay SPPC for the additional 5 MW from 2005 to 2010 which affirmed ERC's requirement for both parties to reconcile settlement amount. On November 23, 2016, SC issued its decision to deny the motion for reconsideration submitted by NPC and to render the case with finality. On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On September 6, 2019, SPPC filed with ERC a Manifestation with Urgent Motion to Resolve, praying that the commission: (1) resolve and grant SPPC's Omnibus Motion for Issuance of Writ of Execution and Notice of Garnishment dated July 18, 2018; and (2) resolve the issue of NPC's liability for interest in favor of SPPC under the Energy Conversion Agreement.

On December 4, 2019, while awaiting the ERC's resolution on SPPC's motion, SPPC's Executive Vice President, Tirso G. Santillan, wrote a letter to the NPC stating that "SPPC agreed

to collect the principal amount of ₱68.64 million and US\$5.77 million, and waive the interests amounting to ₱52.98 million and US\$3.43 million.”

On December 9, 2019, the NPC, through its president and CEO Pio J. Benavidez, signified its agreement to SPPC’s waiver of its claim of interest.

On December 27, 2019, SPPC filed with the ERC an Omnibus Motion to (a) Resolve and (b) Withdraw Claim for Interest. 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 31 of the Consolidated Financial Statements.

Item 4. LEGAL PROCEEDINGS

SPPC has a long-outstanding receivable from NPC, which NPC disputed. The parties brought their dispute to the ERC for arbitration. On June 3, 2013, ERC decided in favor of SPPC, and NPC appealed the ERC decision to the Court of Appeals (CA), which affirmed the ERC decision. On August 17, 2015, the CA denied NPC’s motion for reconsideration. On September 18, 2015, NPC petitioned the Supreme Court (SC) to review the ERC and CA decisions. On July 16, 2016, the SC rendered a decision holding NPC liable to pay SPPC for the capacity and other fees arising from the additional 5 MW nominated by SPPC from 2005 to 2010. On November 23, 2016, the SC denied NPC’s motion for reconsideration, rendering the ERC decision final.

Some of the subsidiaries or affiliates of the Company are also from time to time involved in routine litigation as well as various legal actions incidental to their respective operations. However, in the opinion of the Company’s management, none of these legal matters, in which its subsidiaries or affiliates are involved, will be material to the Company’s financial condition and results of operations. Refer to Note 34 of the Consolidated Notes to Financial Statements attached to this report for detailed description.

Item 5. SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

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

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. MARKET FOR REGISTRANT’S COMMON EQUITY and RELATED STOCKHOLDER MATTERS

1. Market Information

All the common shares of the company are listed in the Philippine Stock Exchange.

The following are the high and low market prices of the Company’s shares for the past three years:

Table 1 -- Market Price of ACR Shares

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2020	High Low	₱1.37 0.61			
2019	High Low	1.58 1.28	₱1.48 1.36	₱1.42 1.29	1.34 1.21
2018	High Low	1.38 1.23	1.35 1.18	1.30 1.14	1.31 1.22
2017	High Low	1.59 1.23	1.94 1.35	1.48 1.35	1.43 1.34

Stock Price as of April 30, 2020 was at ₱0.92 per share.

2. Stockholders

As of December 31, 2019, ACR has 6,291,500,000 shares outstanding held by 453 stockholders, inclusive of the two (2) accounts under PCD Nominee Corporation. The list of the top twenty stockholders of the Company as recorded by Prime Stock Transfer Services, Inc., the Company's stock transfer agent, are as follows:

Table 1 – Top Twenty (20) Stockholders

	Name	No. of Shares Held	% to Total
1.	Alsons Corporation	2,592,524,072	41.21%
2.	Alsons Power Holdings Corp.	1,249,999,599	19.87%
3.	Alsons Development and Investment Corp.	1,188,524,026	18.89%
4.	PCD Nominee Corporation (Filipino)	1,154,555,050	18.35%
5.	PCD Nominee Corporation (Non-Filipino)	74,874,001	1.19%
6.	SEC Account No. 2 fao various Customers of Guoco	2,090,000	0.03%
7.	All Asia Capital Trust & Investment Division	1,830,000	0.03%
8.	EBC Securities Corporation	1,030,000	0.02%
9.	Crisostomo, Emily A.	1,000,000	0.02%
9.	Cruz, Felipe Jr. A.	1,000,000	0.02%
9.	Nora T. Go	1,000,000	0.02%
10.	First Integrated Capital Securities, Inc. (555300)	900,000	0.01%
11.	First Integrated Capital Securities, Inc. (555200)	795,000	0.01%
12.	Ansaldo, Godinez & Co., Inc.	755,000	0.01%
13.	George Go	750,010	0.01%
14.	AACTC FAO Trinity Investment	680,000	0.01%
15.	Esteban Yau	600,000	0.01%
16.	Roy C. Tia	513,000	0.01%
17.	S. J. Roxas & Co., Inc.	507,000	0.01%
18.	Antonio Co	500,000	0.01%
18.	Mendoza, Marites &/or Alberto Mendoza	500,000	0.01%
18.	Roqueza, Ricardo S.	500,000	0.01%
18.	San Jose, Roberto V.	500,000	0.01%
18.	Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%

19. Mendoza Albert G. &/or Jeannie C. Mendoza	450,000	0.01%
20 Guillermo F. Gili, Jr.	430,000	0.01%
Total shares of top 20	6,277,306,758	99.77%

3. Dividends

Declaration of dividends is subject to approval by the Board of Directors.

The historical dividend declarations are follows:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2019	May 30, 2019	₱125,830,000	₱0.020	June 30, 2019	July 24, 2019
2018	May 24, 2018	230,894,000	0.036	June 30, 2018	July 25, 2018
2017	May 25, 2017	100,664,000	0.016	June 30, 2017	July 25, 2017

Dividends on preferred shares amounting to ₱4 million in 2019, 2018 and 2017 were applied against the Company's subscriptions receivable from Alsons Corporation.

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.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

REVIEW OF CURRENT YEAR 2019 vs. 2018 OPERATIONS

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

1. Revenues and Profitability

ACR and Subsidiaries posted a slight increase in its consolidated revenues during the year at ₱6,796 million, a 2% improvement from the ₱6,666 million reported in the previous year. This improvement was due mainly to SEC 2's commercial operations which started on October 10, 2019. It generated 186,609 megawatts of power during the year.

Cost of services decreased by 9% at ₱4,237 million from ₱4,673 million in 2018. The decrease was due mainly to the lower cost of fuel caused by lower energy dispatched by the diesel plants and the delay in SEC 2's commercial operations.

General and administrative expenses increased by 23% at ₱598 million from ₱487 million in 2018. The increase was due mainly to the expenses recognized by SEC 2 as well as those of Sigui Hydro Power Corporation which began construction in the 3rd quarter of 2019 and expected commercial operations by the first half of 2022. Operating profit also improved by 31% at ₱1,958 million from ₱1,499 million reported in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from ₦2,698 million to ₦3,081 million this year. The EBITDA margin is also higher at 45% this year versus the 40% earned in 2018.

Meanwhile, finance charges decreased by 9% from ₦1,186 million to ₦1,081 million. The partial pre-payment by ACR Parent debt in April 2018 amounting to ₦1 billion and amortization of SEC 1 project loans, caused the decrease in interest expense. The interest incurred for SEC 2 was capitalized as part of project cost up to the time the Company declared commercial operations.

The Company realized a negative Other Income of ₦25 million from ₦294 million in 2018. The Company recognized a dividend from its investment in preferred shares amounting to ₦264 million in 2018 which is partly offset by higher equity in net earnings from an associate of ₦71 million in 2019, from ₦33 million last year.

As a result of the foregoing, the consolidated net income posted a better performance of ₦974 million in 2019, 73% better than the ₦563 million in 2018. The income attributable to Parent is 58% better from last year's ₦94 million to ₦148 million this year and posting an earnings per share of ₦0.023 from ₦0.014 last year.

2. Financial Position

As of December 31, 2019, total resources of ACR and Subsidiaries remained strong at ₦45,609 million, increased by 5% versus the ₦43,492 million level reported in 2018.

Current assets posted a slight decrease, from ₦8,904 million to ₦8,840 million. The decrease came largely from the use of cash and cash equivalents for the construction and completion of SEC 2. Siguil Hydro Power Plant likewise began construction during the year and Company made advances to its EPC Contractor during the year. Noncurrent assets rose by 6%, mostly on the capital expenditures incurred for the completion of the construction of SEC 2 and Siguil.

Current liabilities increased significantly by 92% from ₦6,280 million to ₦12,051 million, largely on account of higher current portion of long-term debt. The first tranche of Company's Fixed Rate Corporate Note (FXCN) which will mature in December 2020 has been recognized as current during the year. The Company is currently working on refinancing this maturing obligation. Noncurrent liabilities, on the other hand, decreased by 18% due to the reclassification of above maturing obligation and partly offset by the recognition of additional decommissioning liability related to SEC 2.

ACR posted a current ratio of 0.73:1 for 2019 as compared to 1.42:1 in 2018 mainly due to the reclassification of its maturing obligation. The Company is already in discussion with the existing lenders for the refinancing and majority of them have obtained management clearance to refinance the same.

Net cash inflows from operating activities remain stable and continue to be the source of payment of maturing obligations and trade payables. Net cash used for investing activities decreased from ₦5,310 million to ₦3,083 million this year due mainly to the completion of SEC 2. Net cash

outflows from financing activities amounted to ₱33 million in 2019 largely due to the lower loan drawdown amounting to ₱5,324 versus the ₱9,821 million in 2018. The total available funds of ₱7,890 million in 2019, from which ₱2,876 were used for power plant project construction during the year. The net cash balance after accounting for the above changes reached ₱2,815 million, 19% lower than the ₱3,475 million in the previous year.

3. Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2019 showed stable gross income at ₱2,556 million compared to last year's ₱1,986 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Table 2 – Comparative KPIs (2019 Vs. 2018)

Financial KPI	Definition	Calendar Year	
		2019	2018
Profitability			
Revenues		₱6,796	₱6,666
EBITDA		₱3,081	₱2,698
EBITDA Margin	EBITDA ÷ Net Sales	45%	40%
Return on Equity	Net Income ÷ Total Stockholders' Equity	7%	4%
Net Earnings Attributable To Equity Holders		₱148	₱94
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	29%	32%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	10%	13%
Debt-To-Equity Ratio		2.82:1	2.62:1
Current Ratio	Current Assets ÷ Current Liabilities	0.73:1	1.42:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increased from ₱2,698 million to ₱3,081 million in 2019 due mainly to the improved performances of SEC and WMPC. EBITDA Margin was also up from 40% in the previous year to 45% this year as a result of higher income.

Return on equity (ROE) was also up from last year's 4% to 8% this year while the net income attributable to the equity holders of the parent increased significantly to ₱148 million from last

year's ₱94 million. The second section of SEC started commercial operations on October 10, 2019 contributing ₱1,046 million in total revenues during the year.

Efficiency

The Company's operating expense ratio decreased to 29% in 2019 from 32% in 2018. The continued operating performance of the Company's operations led to the decrease in operating expense ratio.

Liquidity

As a result of additional project loan drawdown for the completion of Sarangani Energy section 2 during the year, financial debt increased by 8%. Consequently, net debt coverage ratio decreased to 11% from last year's 13%. Current ratio on the other hand decreased to 0.73:1 from last year's 1.42:1. The first tranche of Company's Five-Year Fixed Rate Corporate Note (FXCN) which matures on December 2020 has been recognized as current during the year. The Company is currently working on the refinancing of this maturing obligation and majority of the noteholders have signified their concurrence.

DESCRIPTION OF KEY PERFORMANCE INDICATORS:

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

Significant Disclosures

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

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

Notes to Consolidated Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2019 and 2018 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 cyclical.

Material Changes in Consolidated Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 19% Decrease and Short-term investments, 31% decrease

The decrease in cash and cash equivalents (2019: P2,815 million vs. 2018: P3,475 million) was due to the usage of cash for the completion of the SEC 2 power plant as well as the on-going construction of Siguil Hydro Power Plant. SEC 2 has started commercial operations on October 10 while Siguil is expected to be completed and to commence commercial operations in 2022.

2. Trade and other receivables, 22% Increase

The increase was due to the timing of collection of trade receivables during the year.

3. Spare parts and supplies, 6% decrease

The decline was due mainly to the lower coal consumption of Sarangani Energy Corporation during the year.

4. Prepaid expenses and other current assets, 12% Increase

The increase was due to the higher interest reserve account of Sarangani Energy Corporation required for its loan facility used for the construction of SEC 2.

5. Advances to Constructors, 306% Increase

The increase was due to the additional advances made during the year for our first renewable energy project that began construction in 2019 and target completion in 2022.

6. Property, plant and equipment, 7% Increase

The increase in is due mainly to expenditures incurred for the completion of SEC 2 power plant.

7. Contract Asset, 5% Increase

The Contract asset represents asset recognized though the application of PFRS 15. This Accounting Standards simply recognizes the revenues of SEC relative to its Capital Recovery Fee equally over the life of its PSA. Thus, applying the average method in calculating the CRF Revenue. The increment is presented as Contract Asset.

8. Deferred Financing Cost, 100% Decrease

The decrease was due to reclassification of SEC 2 financing costs into property plant and equipment account.

9. Deferred Tax Assets, 75% Increase

The increase is due largely to the deferred tax impact of the additional recognized contract assets.

10. Accounts payable and other current liabilities, 4% Decrease

The decrease was due mainly to the payment of dividend declared by Sarangani Energy in the previous year.

11. Loans payable and short-term notes payable, 285% Increase

The short-term notes payable represents negotiable commercial paper registered with the Securities and Exchange Commission of the Company, which security is listed in the Philippine Dealing System (PDEs). The increase was due mainly to the additional issuance during the year.

12. Income tax payable, 571% Increase

The increase was due to the higher taxable income earned during the year.

13. Lease Liability, 100% Increase

The increase was due to the adoption of PFRS 16 on Leases. The standard provides a single lessee accounting model, requiring lessees to recognize the assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The corresponding asset – right of use is included as part of property plant and equipment amounting to ₱24 million net of accumulated depreciation.

14. Current Portion of Long-term Debt, 397% Increase

Long-term debts – net of Current portion, 19% Decrease

The first tranche of Company's Five-Year Fixed Rate Corporate Note (FXCN) which matures on December 2020 has been recognized as current during the year. The Company is currently working on the refinancing of this maturing obligation and majority of the noteholders have signified their concurrence.

15. Deferred Tax Liabilities, 16% Decrease

The decline in deferred tax liabilities was due to the increase capitalized interest of the SEC 2 Power Plant which is under construction during the year.

REVIEW OF CURRENT YEAR 2018 vs. 2017 OPERATIONS

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

Revenues and Profitability

ACR and Subsidiaries posted a slight increase in its consolidated revenues during the year at ₱6,666 million, a 2% improvement from the ₱6,519 million reported in the previous year. This improvement was due mainly to Sarangani Energy Section 1 operations.

Cost of services also increased by 2% at ₱4,673 million from ₱4,574 million in 2016. The increase was due mainly to the higher energy dispatched of SEC 1 generating 521,304 megawatts of power from last years' 489,029 megawatts due to higher utilization this year.

General and administrative expenses decreased by 13% at ₱487 million from ₱562 million in 2017. The decline was due to one time expenses recognized by SEC 1 in 2017 for prior year's administrative charges. Operating profit also improved 9% at ₱1,499 million from ₱1,374 million reported in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from ₱2,363 million to ₱2,698 million this year. The EBITDA margin is higher at 40% this year versus the 36% earned in 2017.

Meanwhile, finance charges slightly decreased by 1% from ₱1,200 million to ₱1,186 million. The partial pre-payment by ACR Parent debt in April 2018 amounting to ₱1 billion, caused the slight decrease in interest expense. The interest incurred for SEC 2 was capitalized as part of project cost.

On the other hand, the Company realized an other income of ₱326 million from ₱70 million in 2017. The Company recognized a dividend from its investment in preferred shares amounting to ₱264 million and equity in net earnings from an associate of ₱33 million during the year.

As a result of the foregoing, the consolidated net income jumped 444% from last year's ₱103 million to ₱563 million. The income attributable to Parent is turnaround from a loss of ₱21 million in the previous year to an income of ₱94 million this year and posting an earnings per share of ₱0.015 from (₱0.004) last year.

Financial Position

As of December 31, 2018, total resources of ACR and Subsidiaries remained strong at ₱43,492 million, increased by 14% versus the ₱38,237 million level reported in 2017.

Current assets posted a 4% decrease, from ₱9,257 million to ₱8,904 million. The decrease came largely from the use of cash and cash equivalents for the construction of SEC 2 and partial prepayment of the Company's Fixed Rate Corporate Note (FXCN). Noncurrent assets rose by 19%, mostly on the capital expenditures incurred for the completion of the second phase of Sarangani Energy's power plant and the contract asset resulting from the application of Philippine Financial Reporting Standards 15 wherein revenues of Sarangani Energy should be recognized over time based on contract period (straight-line basis). The details of this are disclosed in our Notes to Financial Statements.

Current liabilities also increased by 12% from ₱5,590 million to ₱6,280 million, largely on account of higher accounts payable and accrued expenses. Noncurrent liabilities increase by 20%, due to the additional drawdown of project loan for the second phase of Sarangani Energy's power plant.

ACR's balance sheet remained strong with a current ratio at 1.42:1 in 2018 versus the 1.66:1 level in 2017, while its debt-to-equity ratio increased at 2.03:1 from 1.79:1, due to availment of additional debts for SEC 2 power plant.

Net cash inflows from operating activities remain stable and continue to be the source of payment of maturing obligations and trade payables. Net cash used for investing activities increased significantly from ₱1,050 million to ₱5,212 million this year due mainly to the construction of SEC 2. Together

with net cash inflows from financing activities amounting to ₦1,738 million, largely from loan availments, available funds totaled ₦11,117 million in 2018, from which ₦5,534 were used for power plant project construction during the year. The net cash balance after accounting for the above changes reached ₦3,475 million, 21% lower than the ₦4,384 million in the previous year.

Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2018 showed stable gross income at ₦1,498 million compared to last year's ₦3,74 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Table 3 – Comparative KPIs (2018 Vs. 2017)

Financial KPI	Definition	Calendar Year	
		2018	2017
Profitability			
Revenues		₦6,666	₦6,519
EBITDA		₦2,695	₦2,325
EBITDA Margin	EBITDA ÷ Net Sales	40%	36%
Return on Equity	Net Income ÷ Total Stockholders' Equity	4%	1%
Net Earnings Attributable To Equity Holders		₦94	(₦21)
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	32%	41%
Liquidity			
Net Debt Coverage	Cash Flow from Operating Activities ÷ Net Financial Debt	13%	15%
Debt-To-Equity Ratio		2.62:1	1.74:1
Current Ratio	Current Assets ÷ Current Liabilities	1.42:1	1.66:1

Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increased from ₦2,325 million to ₦2,695 million in 2018 due mainly to higher utilization of SEC 1. EBITDA Margin was also up from 36% in the previous year to 40% this year as a result of higher income.

Return on equity (ROE) was also up from last year's 1% to 4% this year while the net income attributable to the equity holders of the parent was a turnaround at ₦94 million from a loss of ₦21 million in 2017. The loss in 2017 was attributable to the higher finance charges availed for the

project loan of SEC 1 and the lower performance of the diesel plants. The Company is currently exploring opportunities on how its diesel assets are best utilized.

Efficiency

The Company's operating expense ratio decreased to 32% in 2018 from 41% in 2017. The last year's recognition of a non-recurring administrative cost resulted to a higher general and administrative expenses in 2017.

Liquidity

As a result of additional project loan for the construction of Sarangani 2 during the year, financial debt increased by 18%. Consequently, net debt coverage decreased to 13% from last year's 15%. Current ratio on the other hand decreased to 1.42:1 from last year's 1.66:1 due largely to the higher accounts payable and accrued expenses in 2018.

Notes to Consolidated Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR for the years ended December 31, 2018 and 2017 are presented in accordance with PFRS applied on a consistent basis.

Material Changes in Consolidated Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 21% Decrease

The decrease in cash and cash equivalents (2018: ₱3,474 million vs. 2017: ₱4,384 million) was due to the usage of cash for partial pre-payment of Parent Company's long-term debt in April 2018.

2. Trade and other receivables, 4% Increase

The increase was due to the timing of collection of trade receivables during the year..

3. Prepaid expenses and other current assets, 59% Increase

The increase was due to the higher interest reserve account of Sarangani Energy Corporataion required for its loan facility used for the construction of SEC 2.

4. Advances to Constructors, 100% Increase

The increase was advances for the upgrade of transmission Line for SEC 2. The advances will be applied against future future payments.

5. Property, plant and equipment, 19% Increase

The increase in is due mainly to expenditures incurred for the construction of SEC 2 power plant.

6. Equity instruments designated through fair value other than comprehensive income, 100% Increase

The increase is a change in classification from AFS financial assets in 2017 to the above account in compliance with Accounting Standards.

7. Contract Asset, 100% Increase

The Contract asset represents asset recognized through the application of PFRS 15. This Accounting Standards simply recognizes the revenues of SEC relative to its Capital Recovery Fee equally over the life of its PSA. Thus, applying the average method in calculating the CRF Revenue. The increment is presented as Contract Asset.

8. Deferred Tax Assets, 22% Increase

The increase is due largely to the deferred tax impact of the recognized contract assets.

9. Other Noncurrent Assets, 18% Increase

The increase was due to the additional deferred project expenses recognized by SRPI and Siguil projects.

10. Accounts payable and other current liabilities, 25% Increase

The increase was due mainly to the unpaid dividend declared by Sarangani Energy in 2018 payable in 2019.

11. Loans payable, 64% Decrease

The decrease was due the settlements of short-term working capital facility of ACR Parent, SPPC and WMPC during the year.

12. Short-term Notes Payable, 100% Increase

The short-term notes payable represents ₱ 100 million negotiable commercial paper registered with the Securities and Exchange Commission of the Company, which security is listed in the Philippine Dealing System (PDEEx). The fist issuance is part of the first tranche of ₱ 1.5 billion of commercial paper.

13. Income tax payable, 50% Decrease

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

14. Current Portion of Long-term Debt, 34% Increase
Long-term debt-net of Current Portion, 21% Increase

The increase in long-term debt was due to additional loan drawndown for the construction of SEC 2 Power Plant. While the maturing principal of the project loan availed for SEC 1 caused the 34% increase in current portion of long-term debt.

15. Deferred Tax Liabilities, 15% Increase

The incline in deferred tax liabilities was due to the increase capitalized intrest of the SEC 2 Power Plant which is under construction during the year.

Item 8. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

1. SyCip Gorres Velayo & Co. (SGV) is the Company's external auditors for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.
2. In compliance with SEC Memorandum Circular No. 8, Series of 2003 on the rotation of external auditors, SGV's previous engagement partner was replaced in 2014.
3. Fees for the years ended December 31, 2019 and 2018 were ₱550,000 for each year. 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 2019 and 2018. The fees and services were approved by the Audit, Risk Oversight, and Related Party Transaction Committee (Audit Committee) in compliance with the Code of Corporate Governance for Publicly Listed Companies.

The other fees billed by SGV pertain to an engagement of SGV in 2018 to conduct a tax seminar exclusively for the Group on the Tax Reform for Acceleration and Inclusion (TRAIN). For this separate engagement, SGV billed the Company ₱112,000 as professional fee, inclusive of any applicable taxes.

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

PART III - CONTROL AND COMPENSATION INFORMATION

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

1. Board of Directors and Executive Officers

a. The Board of Directors

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

The following are the directors and officers of the Company and their business experience for the last five years:

Table V- Board of Directors

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director, Vice-Chairperson and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Arturo B. Diago, Jr.	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, 73, 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, 71, 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., 76, 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, 65, 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, 72, Filipino, rejoined the Company as a Director in March 18, 2009. Previously, he served the Company as a Director from June 19, 2002 to June 29, 2006 and as its Chief Financial Officer from January 16, 2001 to June 30, 2006. He holds an Economics and Accountancy degree from the De La Salle University and a Masters of Science in Management degree from the Massachusetts Institute of Technology.

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

Conrado C. Alcantara, 47, 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., 70, 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, 80, 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, 74, 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, 71, 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 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.

Arturo B. Diago, Jr. 68, Filipino, became a director of the Company in August 2017 after the resignation of Mr. Nicasio I. Alcantara in July 2017. Mr. Diago has been the Treasurer of Cyan Management Corporation since 1988, Teleperformance, Inc. since 1996, Lacturan Holdings, Inc. since 1997, Mantrade Development Corporation since 2003 and Canlubang Golf Corporation since 2007. Mr. Diago has been the Vice-President-Comptroller of MG Exeo Network, Inc. since 1991. He has been an Executive Vice President and Treasurer of Directories Philippines Corporation since 1989. He served as the Chief Officer for Administrative and Corporate Service of Pilipino Telephone Corporation until December 31, 2000. Mr. Diago served as the President of Lodestar Investment Holdings Corp. since May 2006. He held various positions in the Alcantara Group of Companies involved in manufacturing, marketing and shipping operations. He has been the Vice Chairman of Asian Media Development Group, Inc. since 2003. Mr. Diago serves as a Director of Directories Philippines Corporation and MG Exeo Network Inc., among other corporations. He has been a Director of Alsons Consolidated Resources, Inc. since August 24, 2017. He serves as a Director of Cebuana Lhuillier Bank, Cybersoft Information Technology, Inc., 911 Alarm, Inc. and Vinnell Belvoir Corp. He served as a Director of Lodestar Investment Holdings Corp. from March 10, 2006 to December 2007 and its Globalport 900, Inc. (a/k/a MIC Holdings Corp.). Mr. Diago served as a Director of PLDT Communications and Energy Ventures, Inc. (Former Name: Pilipino Telephone Corporation) from April 24, 1991 to May 9, 2011. He obtained his Master's Degree in Business Management from the Asian Institute of Management and his Bachelor of Science Degree in Commerce from the De La Salle University. He also attended the Strategic Business Economics Program of the Center for Research and Communication (now University of Asia and the Pacific).

b. The Executive Officers

The following Company executive officers do not own more than 2% of ACR:

Table VI – Executive Officers

Office	Name	Nationality
Director, President, Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief	Tirso G. Santillan, Jr.	Filipino

Operating Officer		
Corporate Secretary	Roberto V. San Jose	Filipino
Assistant Corporate Secretary	Angel M. Esguerra III	Filipino

Roberto V. San Jose, 78, 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, 58, Filipino, was appointed as the Assistant Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

2. Family Relationship of Directors and Officers

Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara and Ms. Editha I. Alcantara are siblings, while Mr. Conrado C. Alcantara is their nephew.

3. Independent Directors

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

- a. Jacinto C. Gavino, Jr.
- b. Jose Ben R. Laraya
- c. Thomas G. Aquino

4. Warrants and Options Outstanding

There are no warrants or options granted by the Company to any of its Directors or executive Officers.

5. Pending Legal Proceedings

None of the directors and officers was involved in any bankruptcy proceedings as of March 31, 2020 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their

involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

6. Significant employees

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

7. Legal Proceedings where Property is the Subject

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

Item 11. EXECUTIVE COMPENSATION

A director's compensation represents a per diem of ₱30,000 for every attendance of a Board meeting, and ₱15,000 for every attendance of a meeting of the Executive and Corporate Governance Committee (Executive Committee) and the Audit Committee.

The aggregate amounts paid by the Company to its Directors and Executive Officers as a group were ₱2,985,000 and ₱5,256,000 for the years 2019 and 2018, and ₱3,705,000 in 2017, respectively. For 2020, the Company estimates that it will pay an aggregate amount of ₱4,257,000 as compensation to its Directors and Executive Officers.

Table VII - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year (With 2020 Estimates)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Tomas I. Alcantara Chairman and President	2020	₱ -	₱ 330,000
	2019	-	165,000
	2018	-	434,000
	2017	-	330,000
2. Editha I. Alcantara Director & Treasurer	2020	-	405,000
	2019	-	285,000
	2018	-	509,000
	2017	-	330,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	2020	-	405,000
	2019	-	315,000
	2018	-	509,000
	2017	-	330,000
4. Jose Ben R. Laraya Director	2020	-	405,000
	2019	-	330,000
	2018	-	509,000
	2017	-	330,000
5. Ramon T. Diokno Director	2020	-	375,000
	2019	-	255,000
	2018	-	464,000
	2017	-	330,000

All other Officers and Directors as a group unnamed	2020	-	2,355,000
	2019	-	1,635,000
	2018	-	2,831,000
	2017	-	1,500,000

Other Annual Compensation received from ACR represents per diems given for every attendance in a Board, an Executive Committee (Excom) meeting or an Audit Committee meeting. The disclosure on the compensation of Key Management Personnel is presented in Note 20 of the consolidated financial statements.

The Company and the executive officers are not involved in any of the following transactions:

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

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

Position	Name
Chairman	Tomas I. Alcantara
Member	Honorio A. Poblador III
Member (Independent Director)	Jose Ben R. Laraya
Member	Tirso G. Santillan, Jr.

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

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

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the directors or executive officers of the Company.

Item 12. SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2018, Alsons Consolidated Resources, Inc. knows of no one who beneficially owns in excess of 5% of its common stock except as set forth in the following table:

Table VIII - Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of Shares Held	Percentage
Common	Alsons Corporation¹ (AC) Alsons Bldg., 2286 Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation ²	Filipino	2,592,524,072	41.21%
Common	Alsons Power Holdings Corp¹. (APHC) Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	Alsons Power Holdings Corporation ²	Filipino	1,249,999,599	19.87%
Common	Alsons Development & Investment Corp¹. (ALDEVINCO) 329 Bonifacio St., Davao City	Affiliate	Alsons Development and Investment Corporation ²	Filipino	1,188,524,026	18.89%
Common	PCD Nominee Corporation³ (Fil) MSE Bldg., Ayala Ave., Makati City	None	Various ⁴	Filipino	1,147,422,476	18.13%

2. Security Ownership of Management

The following table shows the securities beneficially owned by all directors, nominees and executive officers of ACR as of December 31, 2018:

**Table IX - Security Ownership of Management
Directors:**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	r	0.00%
Common	Editha I. Alcantara	100,000	Filipino	r	0.00%
Common	Alejandro I. Alcantara	1	Filipino	r	0.00%
Common	Jacinto C. Gavino, Jr.	1	Filipino	r	0.00%

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

² The respective Boards of Directors of each of AC, APHC and Aldevinco has power to decide how the shares are to be voted.

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

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

Common	Ramon T. Diokno	1	Filipino	r	0.00%
Common	Jose Ben R. Laraya	100	Filipino	r	0.00%
Common	Conrado C. Alcantara	1	Filipino	r	0.00%
Common	Honorio A. Poblador III	100	Filipino	r	0.00%
Common	Thomas G. Aquino	100	Filipino	r	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	r	0.00%
Total		100,406			0.00%

Officers:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	Tomas I. Alcantara	1	Filipino	R	0.00%
Common	Editha I. Alcantara	100,000	Filipino	R	0.00%
Common	Tirso G. Santillan, Jr.	1	Filipino	R	0.00%
Common	Roberto V. San Jose	500,000	Filipino	R	0.00%
Total		600,002			0.00%

3. Voting Trust Holder of 5% or More

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

4. Changes in Control

There are no arrangements which may result in a change in control of the registrant.

Item 13. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

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

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

- In October 2015, the Company subscribed to 22 million redeemable preferred shares of Alsons Development and Investment Corporation (ALDEVINCO), a shareholder, through a conversion of its advances to ALDEVINCO amounting to ₱2.2 billion. These shares have a par value of ₱100 per share and a cumulative dividend of 4% per annum, and are non-participating. The Parent Company accounts for its investment in redeemable preferred shares as part of AFS investment in the Financial Statements.
- On March 21, 2013, ALDEVINCO and ACIL (collectively, AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI would own 60%, and AG would own 40%, of the outstanding capital stock of a joint venture corporation, Aviana Development Corporation (ADC), which would develop the Lanang property in Davao City. Thereafter, ALDEVINCO assigned to ACR all of its rights and obligations in the agreement. On September 17, 2013, ADC was incorporated, and ACR has subscribed to, and now owns, 34% of ADC's outstanding capital stock.

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. In 2019, and 2018, ACR paid this law firm fees of ₱360,000.00 and ₱5,135,548.08, respectively. Included in the for 2018 is the ₱4,722,338.88 payment for legal advice and services on the partial divestment of Alsons Thermal Energy Corporation in 2017. The Company believes that these fees are reasonable for the services rendered.

List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent, if any.

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

PART IV – CORPORATE GOVERNANCE

Item 14. CORPORATE GOVERNANCE

In compliance with the directives of the SEC, please find attached the latest Integrated Annual Corporate Governance Report by the Company filed with the SEC.

PART V - EXHIBITS AND SCHEDULES

Item 15. EXHIBITS AND REPORTS

15.1 Consolidated Financial Statements

The Audited Consolidated Financial Statements for the years ended December 31, 2019 and 2018 are attached as Exhibit 1:

- Management's Responsibility to the Financial Statements
- Independent Auditor's Report
- Consolidated Balance Sheets December 31, 2019 and 2018
- Consolidated Statements of Income for the three years ended December 31, 2019, 2018 and 2017
- Consolidated Statements of Comprehensive Income for the three years ended December 31, 2019, 2018 and 2017
- Consolidated Statements of Cash Flows for the three years ended December 31, 2019, 2018 and 2017.
- Notes to Consolidated Financial Statements

15.2 Supplementary Schedules

Independent Auditor's Report on Supplementary Schedules SRC Annex 68-E Schedules

- A. Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties

and Principal Stockholders

- C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
- D. Intangible Assets - Other Assets
- E. Long-term Debt
- F. Indebtedness to Related Parties
- G. Guarantees of Securities of Other Issuers
- H. Capital Stock
 - Schedule of Retained Earnings Available for Dividend Declaration
 - Conglomerate Map
 - Schedule of All Effective Standards and Interpretations

15.3 Reports on SEC Form 17-C

- Report on SEC Form 17-C filed during the year ended December 31, 2019 is attached together with this report and presented in Exhibit 6:

SIGNATURES

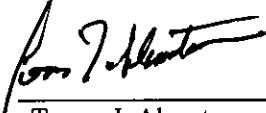
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on _____.

ALSONS CONSOLIDATED RESOURCES, INC.

Issuer

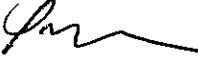
Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the date indicated.

By:



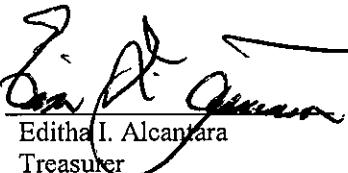
Tomas I. Alcantara
Chairman and President

Date : 5/28/20



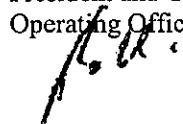
Tirso G. Santillan, Jr.
Executive Vice-
President and Chief
Operating Officer

Date : 5/28/20



Editha I. Alcantara
Treasurer

Date : 5/28/20



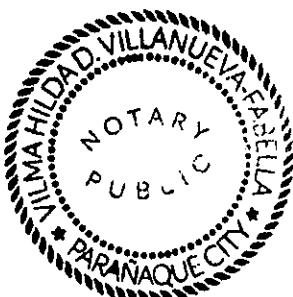
Roberto V. San Jose
Corporate Secretary

Date : 5/28/20

SUBSCRIBED AND SWORN to before me this MAY 28, 2020 day of _____ affiants exhibiting to me competent evidence of their respective identity as follows:

<u>NAMES</u>	<u>IDENTIFICATION NO.</u>	<u>DATE & PLACE OF ISSUE</u>
Tomas I. Alcantara	UMID#CRN-0111-0521374-6	Valid until 2/12/2023 LTO QC
Tirso G. Santillan, Jr.	DL#N17-72-000977	07/29/2015 / DFA NCR South
Editha I. Alcantara	EC4769595	12-20-16 / DFA NCR South
Roberto V. San Jose	PP#P1329913A	

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Book No. 08
Series of 2020



Angel M. Esguerra III
Notary Public
for Makati City until December 31, 2021
Commission No. M-218; Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
PTR OR No. 8121644; 01-06-2020; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City


ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2020
IBP No. 101004/1-03-2020/PPLM
PTR No. 2216225/1-02-2020/Paranaque
Roll No. 41901
Not. Com. No. 119-2019/1-07-2019
55 Molave Ave., Marville, Paranaque City

ALSONS CONSOLIDATED RESOURCES, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULES
FORM 17-A, Item 7

Exhibit No.

Consolidated Financial Statements

Exhibit 1

Statement of Management's Responsibility
Report of Independent Public Accountants
Consolidated Balance Sheets as of December 31, 2019, 2018 and 2017
Consolidated Statements of Income for the three years ended December 31,
2019, 2018 and 2017
Consolidated Statements of Comprehensive Income for the three
Years ended December 31, 2019, 2018 and 2017
Consolidated Statements of Cash Flows for the three years ended December
31, 2019, 2018 and 2017
Notes to Consolidated Financial Statements

Supplementary Schedules

Exhibit 2

Independent Auditor's Report on Supplementary Schedules
SRC Annex 68-E Schedules
A. Financial Assets – (Cash equivalents, Short-term cash investments, and
Available for Sale Financial Assets)
B. Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders
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consolidation of financial statements
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F. Indebtedness to Related Parties
G. Guarantees of Securities of Other Issuers
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Schedule of Retained Earnings Available for Dividend Declaration
Conglomerate Map
Schedule of All Effective Standards and Interpretations

*

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Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
Instruments Defining the Rights of Security Holders, Including Indentures	**
Voting Trust Agreement	*
Material Contracts	**
Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
Letter re: Change in Certifying Accountant	*
Report Furnished to Security Holders	*
Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consent of Experts and Independent Counsel	*
Power of Attorney	*

* These Exhibits are either not applicable to the Company or require no answer.

** There were no changes or additions to those already provided in our SEC Form 11-A
and in our succeeding filing.

EXHIBIT 1

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
And Years Ended December 31, 2019, 2018 and 2017**



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

SECURITIES AND EXCHANGE COMMISSION,
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

The management of **Alsons Consolidated Resources, Inc.**, is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



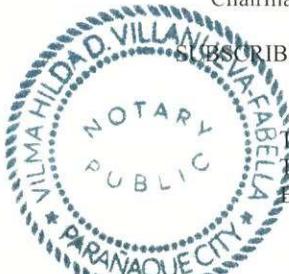
TOMAS I. ALCANTARA
Chairman and President



TIRSO G. SANTILLAN, JR.
Executive Vice-President



EDITHA I. ALCANTARA
Treasurer



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Book No. 08
Series of 2020


ATTY. VILMA HILDA VILLANUEVA-PARELLA
NOTARY PUBLIC
Until December 31, 2020
IBP No. 1010041-03-2020/PPLM
PTR No. 2216225/1-02-2020/Paranaque
Roll No. 41901
Not. Com. No. 119-2019/1-07-2019
55 Molave Ave., Merville, Paranaque City

ANGEL M. ESGUERRA, II
Notary Public
for Makati City until December 31, 2021
Commission No. M-218; Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/1995; Pasay Chapter
PTR OR No. 8121644; 01/06/20; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
Alsons Building, 2286 Chino Roces Avenue
Makati City, Metro Manila, Philippines

Opinion

We have audited the consolidated financial statements of Alsons Consolidated Resources, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Recoverability of Goodwill

Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to annually test the amount of goodwill for impairment. As at December 31, 2019, the Group's goodwill that is attributable to its two power generation cash-generating units (CGUs) amounted to ₱807 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions, specifically the contracted and dispatchable capacities, tariff rates and discount rates.

The Group's disclosures about goodwill are included in Note 14 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used, specifically on discount rates. We compared the other key assumptions used, such as contracted and dispatchable capacities against the historical performance of the CGUs, market outlook and other relevant external data. For tariff rates, we compared the rates used against the rates in the provisionally approved power sales agreements, ancillary services procurement agreements and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Valuation of Unquoted Investment in Alsons Development & Investment Corporation (Aldevinco)

The Group's investment on equity securities designated at fair value through other comprehensive income (FVOCI) include an investment in unquoted preferred shares of Aldevinco amounting to ₱2,200 million, comprising 5% of total consolidated assets as at December 31, 2019. This matter is significant to our audit because determining the fair value of an unquoted equity investment is inherently subjective as it involves the use of valuation inputs that are not market observable. Management also applied judgment in selecting the valuation technique and assumptions to be used considering the information available to the Group.

The Group's disclosures about its investment in unquoted equity securities designated at FVOCI are included in Note 13 to the consolidated financial statements.

Audit Response

We reviewed the valuation technique and the assumptions used, which include the fair values of the investee's identifiable assets and liabilities, such as the fair values of real estate inventories, appraised values of real properties and fair values of investments in listed and unlisted securities of the investee company's underlying assets and discount for lack of marketability. We compared the key assumptions used against market values and other relevant external data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the unquoted equity investment.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Manolito R. Elle.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle

Manolito R. Elle

Partner

CPA Certificate No. 106471

SEC Accreditation No. 1618-AR-1 (Group A),

November 11, 2019, valid until November 10, 2022

Tax Identification No. 220-881-929

BIR Accreditation No. 08-001998-128-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8125233, January 7, 2020, Makati City

March 19, 2020



ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	₱2,814,560,639	₱3,474,561,841
Short-term cash investments (Note 7)	181,632,086	262,952,916
Trade and other receivables (Notes 8 and 20)	3,180,128,360	2,611,221,442
Spare parts and supplies - at cost (Note 9)	642,939,891	682,741,033
Real estate inventories (Note 10)	632,070,639	631,565,395
Prepaid expenses and other current assets (Notes 15 and 18)	1,388,195,478	1,240,571,129
Total Current Assets	8,839,527,093	8,903,613,756
Noncurrent Assets		
Noncurrent portion of installment receivables (Note 8)	1,967,393	4,019,641
Contract assets (Notes 6 and 8)	1,131,664,236	1,080,416,000
Investments in real estate (Note 10)	191,394,011	191,436,343
Investments in associates (Note 11)	2,198,140,844	2,209,533,587
Property, plant and equipment (Note 12)	29,096,966,060	27,137,641,252
Equity investments designated at fair value through other comprehensive income (FVOCI) [Note 13]	2,350,666,222	2,358,327,598
Advances to contractors	398,404,368	97,932,769
Goodwill (Note 14)	806,687,320	806,687,320
Net retirement benefits assets (Note 28)	18,271,750	20,450,756
Deferred financing cost (Note 18)	—	39,796,992
Deferred income tax assets - net (Note 29)	75,807,239	43,393,316
Other noncurrent assets	499,717,049	598,573,648
Total Noncurrent Assets	36,769,686,492	34,588,209,222
TOTAL ASSETS	₱45,609,213,585	₱43,491,822,978
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 16)	₱4,480,650,789	₱4,657,904,845
Loans payable (Note 17)	112,291,726	354,895,860
Short-term notes payable (Note 17)	1,618,725,542	95,163,413
Income tax payable	68,454,301	10,207,718
Current portion of long-term debts (Note 18)	5,770,565,644	1,161,893,431
Total Current Liabilities	12,050,688,002	6,280,065,267
Noncurrent Liabilities		
Long-term debts - net of current portion (Note 18)	17,528,929,060	21,619,760,478
Deferred income tax liabilities - net (Note 29)	711,388,178	849,195,409
Net retirement benefits liabilities (Note 28)	74,604,824	37,952,129
Lease liability - net of current portion (Note 30)	13,991,345	—
Decommissioning liability (Notes 12 and 19)	374,915,615	199,409,217
Total Noncurrent Liabilities	18,703,829,022	22,706,317,233
Total Liabilities	30,754,517,024	28,986,382,500

(Forward)



	December 31	
	2019	2018
Equity (Note 21)		
Capital stock	₱6,335,683,333	₱6,331,283,333
Equity reserves	2,494,321,789	2,518,570,606
Retained earnings:		
Unappropriated	1,562,270,564	1,344,989,831
Appropriated	1,100,000,000	1,300,000,000
Attributable to equity holders of the Parent Company	11,492,275,686	11,494,843,770
Non-controlling interests (Notes 1 and 21)	3,362,420,875	3,010,596,708
Total Equity	14,854,696,561	14,505,440,478
TOTAL LIABILITIES AND EQUITY	₱45,609,213,585	₱43,491,822,978

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2019	2018	2017
REVENUES			
Revenue from contract with customers (Notes 6 and 33)	₱6,785,917,506	₱6,654,220,237	₱—
Rental income (Note 30)	10,178,592	12,050,882	12,158,045
Energy fees (Note 33)	—	—	6,494,068,927
Real estate sales (Note 33)	—	—	12,673,806
	6,796,096,098	6,666,271,119	6,518,900,778
COSTS AND EXPENSES			
Cost of services (Note 22)	(4,236,965,190)	(4,672,776,589)	(4,573,651,777)
Cost of real estate sold (Note 10)	(3,198,806)	(7,478,621)	(9,498,425)
General and administrative expenses (Note 23)	(597,891,399)	(487,134,253)	(562,111,244)
	(4,838,055,395)	(5,167,389,463)	(5,145,261,446)
OTHER INCOME (CHARGES)			
Finance charges (Note 26)	(1,081,013,732)	(1,185,892,672)	(1,200,295,515)
Interest income (Notes 7 and 18)	118,193,175	62,966,406	37,863,224
Equity in net earnings of associates (Note 11)	70,629,805	32,888,825	—
Others - net (Note 27)	(24,660,862)	293,839,536	70,152,948
	(916,851,614)	(796,197,905)	(1,092,279,343)
INCOME BEFORE INCOME TAX	1,041,189,089	702,683,751	281,359,989
PROVISION FOR (BENEFIT FROM)			
INCOME TAX (Note 29)			
Current	211,948,807	86,586,212	143,551,013
Deferred	(144,912,544)	53,144,742	34,331,187
	67,036,263	139,730,954	177,882,200
NET INCOME	₱974,152,826	₱562,952,797	₱103,477,789
Net income (loss) attributable to:			
Equity holders of the Parent Company	₱147,510,733	₱93,500,832	(₱21,033,147)
Non-controlling interests	826,642,093	469,451,965	124,510,936
	₱974,152,826	₱562,952,797	₱103,477,789
Basic/diluted earnings (loss) per share attributable to equity holders of the Parent Company (Note 21)	₱0.023	₱0.014	(₱0.004)

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2019	2018	2017
NET INCOME	₱974,152,826	₱562,952,797	₱103,477,789
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gains (losses) on defined benefit plan (Note 28)	(28,223,858)	1,638,226	(3,141,328)
Effect of changes in asset ceiling	—	—	3,056,014
Tax effect (Note 29)	4,757,333	(4,666,611)	(246,394)
	(23,466,525)	(3,028,385)	(331,708)
Net changes in fair values of equity investments designated at FVOCI (Note 13)	(7,661,376)	12,024,309	—
	(31,127,901)	8,995,924	(331,708)
<i>Items that will be reclassified to profit or loss:</i>			
Unrealized gains on fair valuation of AFS financial assets	—	—	9,602,718
Translation adjustments	(4,838,842)	15,311,495	1,155,929
	(4,838,842)	15,311,495	10,758,647
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(35,966,743)	24,307,419	10,426,939
TOTAL COMPREHENSIVE INCOME	₱938,186,083	₱587,260,216	₱113,904,728
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	₱123,261,916	₱119,870,916	(₱10,023,797)
Non-controlling interests	814,924,167	467,389,300	123,928,525
	₱938,186,083	₱587,260,216	₱113,904,728

See accompanying Notes to Consolidated Financial Statements.



ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

Attributable to Equity Holders of the Parent Company

	Other Equity Reserves						Non-controlling Interests (Note 1)	Total
	Remeasurement Gains (Losses) on Defined Benefit Plan (Note 21)	Unrealized Gains (Losses) on FVOCL / AFS Financial Assets (Notes 13 and 21)	Cumulative Translation Adjustments (Note 21)	Equity Reserves (Note 21)	Sub-total	Unappropriated		
BALANCES AS AT DECEMBER 31, 2016								
Capital Stock (Note 21)	P4,756,234	P1,677,199,905	P145,480,697	P1,774,513,933	P1,013,611,249	P1,380,000,000	P10,410,608,515	P201,386,276 P10,711,394,791
Net income (loss)	—	—	—	—	10,651,137	(21,033,147)	(21,033,147)	124,510,936 (103,477,789)
Other comprehensive income (loss)	—	(105,414)	9,602,718	1,153,833	—	—	—	10,426,939 (582,411)
Total comprehensive income (loss)	—	(105,414)	9,602,718	1,153,833	—	10,651,137	(26,674,934)	(10,023,797) 123,928,525
Collection of subscriptions receivable	4,400,000	—	—	—	—	—	4,400,000	— 4,400,000
Cash dividends declaration (Note 21)	—	—	—	—	—	(105,064,000)	(105,064,000)	(225,000,000) (330,064,000)
Additional investment in a subsidiary (Note 1)	—	—	—	—	—	—	—	1,125,000,000 1,125,000,000
Disposal of interest in a subsidiary without loss of control (Note 1)	—	—	—	—	709,140,065	709,140,065	—	709,140,065 1,495,267,880 2,204,407,885
BALANCES AS AT DECEMBER 31, 2017								
Effect of adoption of PERS 15, Revenue from Contracts with Customers (Note 5)	6,326,883,333	4,650,820	(43,320,245)	1,678,353,798	854,620,762	2,494,305,135	887,872,315	11,009,060,783 2,820,582,601 13,829,643,384
BALANCES AS AT JANUARY 1, 2018	6,326,883,333	4,650,820	(43,320,245)	1,678,353,798	854,620,762	2,494,305,135	592,006,071	592,406,071 24,824,301 94,1030,872
Net income	—	(109,316)	12,024,309	14,896,210	—	93,500,332	—	93,500,332 46,451,965 562,952,197
Other comprehensive income (loss)	—	(109,316)	12,024,309	14,896,210	—	26,811,203	—	26,811,203 (2,062,665) 24,307,419
Total comprehensive income (loss)	—	(109,316)	12,024,309	14,896,210	—	92,059,713	—	92,059,713 587,260,216
Collection of subscriptions receivable	4,400,000	—	—	—	—	(2,545,732)	—	— 4,400,000 4,400,000
Transfer of realized gain from OCI (Note 13)	—	—	(2,545,732)	—	—	(2,545,732)	—	— 4,400,000 4,400,000
Cash dividends declaration (Note 21)	—	—	—	—	—	(230,894,000)	—	— (525,999,994) (756,893,994)
BALANCES AS AT DECEMBER 31, 2018								
Net income	—	(1,880,441)	(7,661,376)	(4,707,000)	—	(24,248,817)	—	147,510,733 (24,248,817) 974,152,826 (11,717,926) (35,966,743)
Other comprehensive loss	—	(1,880,441)	(7,661,376)	(4,707,000)	—	(24,248,817)	—	147,510,733 (24,248,817) 974,152,826 (11,717,926) (35,966,743)
Total comprehensive income (loss)	—	(1,880,441)	(7,661,376)	(4,707,000)	—	(24,248,817)	—	147,510,733 (24,248,817) 974,152,826 (11,717,926) (35,966,743)
Collection of subscriptions receivable	4,400,000	—	—	—	—	(130,230,000)	—	— 4,400,000 (463,100,000) 4,400,000
Cash dividends declaration (Note 21)	—	—	—	—	—	(200,000,000)	—	— (593,330,000) (593,330,000)
Reversal of appropriated retained earnings	—	—	—	—	—	(200,000,000)	—	— —
BALANCES AS AT DECEMBER 31, 2019								
Net income	P6,335,683,333	(P7,358,937)	(P41,503,044)	P1,688,543,008	P854,620,762	P2,494,321,759	P1,562,270,564	P11,492,275,686 P3,362,420,875 P14,854,696,561

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,041,189,089	₱702,683,751	₱281,359,989
Adjustments for:			
Finance charges (Note 26)	1,081,013,732	1,185,892,672	1,200,295,515
Depreciation (Note 25)	1,076,834,280	871,947,014	881,533,932
Interest income (Notes 7 and 18)	(118,193,175)	(62,966,406)	(37,863,224)
Share in earnings of associate (Note 11)	(70,629,805)	(32,888,825)	—
Unrealized foreign exchange loss - net	42,545,740	19,831,361	1,474,920
Movements in net retirement assets and retirement benefits liabilities (Notes 24 and 28)	10,607,843	14,400,380	1,962,756
Gain on sale of property, plant and equipment and investments in real estate (Note 27)	(1,168,423)	(866,268)	(1,829,595)
Recovery of impairment loss on real estate inventories due to sale (Notes 10 and 27)	(663,673)	(483,328)	(1,172,249)
Dividend income (Note 27)	—	(264,000,000)	—
Gain on sale of investment (Notes 11 and 27)	—	—	(34,339,109)
Recovery of impairment loss on investment due to sale (Note 27)	—	—	(13,725,000)
Operating income before working capital changes	3,061,535,608	2,433,550,351	2,277,697,935
Decrease (increase) in:			
Trade and other receivables	(284,185,625)	(193,160,226)	(93,699,757)
Contract assets	(51,248,236)	(192,236,514)	—
Real estate inventories	158,429	7,478,620	9,498,425
Spare parts and supplies	39,801,142	4,589,914	(35,681,892)
Prepaid expenses and other current assets	(86,707,479)	18,908,947	1,504,811
Increase (decrease) in accounts payable and other current liabilities	(27,319,059)	1,042,683,391	2,262,457,072
Cash generated from operations	2,652,034,780	3,121,814,483	4,421,776,594
Income taxes paid including creditable withholding taxes	(185,661,723)	(132,455,874)	(194,705,758)
Net cash flows from operating activities	2,466,373,056	2,989,358,609	4,227,070,836
CASH FLOWS FROM INVESTING ACTIVITIES			
Grant (collection) of advances to related parties	(283,139,830)	368,617,121	(253,993,200)
Interest received	118,193,175	62,966,406	32,527,366
Dividend received (Note 11)	83,000,000	—	—
Additions to:			
Property, plant and equipment (Notes 12 and 35)	(2,875,644,571)	(5,533,532,154)	(4,633,150,298)
Investments in real estate (Note 10)	(94,468)	(10,469,468)	(5,019,774)
Investments in associates (Note 11)	(2,977,452)	—	(1,000,000)
Computer software	(4,003,566)	(2,004,952)	(8,604,103)
Proceeds from disposals of:			
Property, plant and equipment	6,609,830	3,749,744	2,117,591
Equity investments designated at FVOCI	—	6,929,732	—
Interest in a subsidiary without loss of control (Note 1)	—	—	2,116,805,184
Investment in associate (Note 11)	—	—	48,064,109
Withdrawal of (additions to) short-term cash investments (Note 7)	77,032,800	(14,657,135)	(199,877,387)
Proceeds from disposal of (additions to) other noncurrent assets	98,020,769	(93,716,753)	(57,043,578)
Additions to advances to contractors	(300,471,599)	(97,932,769)	—
Proceeds from insurance claims	—	—	29,538,950
Net cash flows used in investing activities	(3,083,474,912)	(5,310,050,228)	(2,929,635,140)

(Forward)



	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans and long-term debts (Notes 17, 18 and 35)	₱5,324,436,224	₱9,820,762,994	₱3,979,777,962
Payments of:			
Loans and long-term debts (Note 35)	(3,495,991,558)	(6,191,165,896)	(1,860,220,000)
Interest expense (Notes 30 and 35)	(1,068,765,898)	(1,164,350,296)	(1,497,323,519)
Dividends (Notes 21 and 35)	(629,930,000)	(567,493,994)	(325,664,000)
Debt issue costs (Note 18)	(103,131,983)	(40,272,212)	(206,030,383)
Principal portion of lease liability (Note 30)	(10,274,664)	-	-
Additions to interest reserve account (Notes 15 and 18)	(49,508,647)	(442,770,196)	(183,468,889)
Proceeds from additional investment in a subsidiary (Note 1)	-	-	1,125,000,000
Net cash flows from (used in) financing activities	(33,166,526)	1,414,710,400	1,032,071,171
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(650,268,382)	(905,981,219)	2,329,506,867
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(9,732,820)	(3,258,988)	3,708,665
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	3,474,561,841	4,383,802,048	2,050,586,516
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)			
	₱2,814,560,639	₱3,474,561,841	₱4,383,802,048

See accompanying Notes to Consolidated Financial Statements.



ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Corporate Information

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

ACR's ultimate parent company is Alsons Corporation (AC), a company incorporated in the Philippines.

The registered office address of ACR is Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines.

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

Subsidiaries	Nature of business	Percentage of Ownership			
		2019		2018	
		Direct	Indirect	Direct	Indirect
Alsons Thermal Energy Corporation (ATEC)	Investment holding	50.00*	—	50.00*	—
Sarangani Energy Corporation (Sarangani)	Power generation	—	37.50	—	37.50
ACES Technical Services Corporation (ACES)	Management services	—	50.00	—	50.00
San Ramon Power Inc. (SRPI)	Power generation	—	50.00	—	50.00
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	100.00	—
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	—	55.00	—	55.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
FGen Northern Power Corp. (FGNPC)	Power generation	—	60.00	—	60.00
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	—	80.00	—
Sigui Hydro Power Corporation (Sigui)	Power generation	—	80.00	—	80.00
Kalaong Power Corporation (Kalaong)	Power generation	—	80.00	—	80.00
Bago Hydro Resources Corporation (Bago)	Power generation	—	80.00	—	—
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	—
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
Alsons Land Corporation (ALC)	Real estate	99.55	—	99.55	—
MADE (Markets Developers), Inc. (MADE)	Distribution	80.44	—	80.44	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	—	100.00	—
Alsons Power Supply Corporation (APSC)	Customer service	100.00	—	100.00	—

*50% ownership interest plus 1 share of the voting and total outstanding capital stock.

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



Power and Energy
ATEC and Subsidiaries

ATEC. On November 23, 2015, ACR organized ATEC primarily to develop and invest in energy projects, including but not limited to the exploration, development and utilization of renewable energy resources with total capital infusion amounting to ₱1 million.

On October 13, 2016, ACR and ATEC executed an assignment of share agreement wherein the Parent Company assigned and transferred its ownership interests in ACES to ATEC for a total consideration of ₱20 million. Accordingly, ACES became wholly owned subsidiary of ATEC.

On May 24, 2017, ACR and ATEC executed an assignment of share agreement wherein ACR assigned and transferred its ownership interests in SRPI to ATEC amounting to ₱1.2 million for a total consideration of ₱0.3 million, net of subscriptions payable amounting to ₱0.9 million.

Accordingly, SRPI became a wholly owned subsidiary of ATEC. Subsequently, on May 31, 2017, ACR and ATEC executed a deed of assignment of advances wherein ACR assigned to ATEC its advances to SRPI totaling to ₱231 million.

On November 27, 2017, the Parent Company sold its 50% ownership interest less 1 share of the voting and total outstanding capital stock in ATEC equivalent to 14,952,678 common shares to Global Business Power Corporation (GBPC) for a total consideration amounting to ₱2,378 million, inclusive of retention receivable amounting to ₱100 million to be received upon issuance by the Bureau of Internal Revenue (BIR) of the Certificate of Authorizing Registration (see Note 8). The Parent Company recognized a gain amounting to ₱709 million, net of transaction costs totaling to ₱169 million (see Note 21). Subsequently, on December 1, 2017, the Parent Company, GBPC and ATEC executed a deed of assignment of advances wherein the Parent Company assigned and transferred to GBPC its right to collect 50% of its advances to ATEC amounting to ₱1,880 million (see Note 16).

Sarangani. CHC organized Sarangani on October 15, 2010 as a wholly owned subsidiary to construct, commission and operate power generating plant facilities of electricity in Maasim, Sarangani Province. On June 27, 2011, ACR acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all its shares to ACR. On December 10, 2012, ACR entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC subscribed and paid ₱355 million worth of Sarangani shares representing 25% of the total equity of Sarangani. In accordance with the shareholders agreement, ACR increased its investment in Sarangani to 75% of the total equity of Sarangani by converting its advances and additional cash infusion.

The construction of the Sarangani's SM200 project is in two phases. Construction of Phase 1 (105 MW) of the Project commenced in January 2013 and was completed in April 2016. The construction of Phase 2 (105 MW) commenced in January 2017 and was completed in October 2019.

In 2015, ACR made additional cash infusion and conversion of advances totaling to ₱572 million, primarily to meet the funding requirements of Sarangani's SM200 project.

On April 20, 2016, ACR subscribed to ATEC's increase in authorized capital stock to the amount of ₱2,989 million worth of shares of stock. The subscription was paid by way of ACR's investment in Sarangani and cash amounting to ₱14 million.

On February 6, 2017, ATEC's BOD authorized the conversion its advances to Sarangani amounting to ₱3,375 million into equity by way of subscription to the increase in authorized capital stock of Sarangani. The Philippine SEC approved Sarangani's increase in authorized capital stock on



March 20, 2017. Also, TTC subscribed to additional common shares amounting to ₱1,125 million which was settled through cash infusion. As at December 31, 2019 and 2018, Sarangani is 75% owned by ATEC.

SRPI. ACR organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its Environmental Compliance Certificate (ECC) on March 20, 2012 for the planned 105 MW coal fired power plant to be located in Zamboanga Ecozone. As at March 19, 2020, the Company has not started the construction of the ZAM 100 power plant. The proposals for the Engineering, Procurement and Construction (EPC) rebidding were submitted on August 30, 2018. Selection of the contractor who will handle the construction of the project is expected to be concluded in March 2020. Meanwhile, the signing of contract and awarding of the Limited Notice to Proceed to the winning bidder is estimated to be in August 2020, with the issuance of Final Notice to Proceed in September 2020. The project is expected to be completed in May 2023.

ACES. ACR organized and incorporated ACES on July 7, 2011 primarily to provide operations and maintenance services to the Group's coal power plants.

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

CHC organized and incorporated MPC on July 13, 2010 as a wholly owned subsidiary to rehabilitate and operate the 103 mega-watts (MW) Bunker-Fired Iligan Diesel Power Plants (IDPPs) I and II located in Iligan City. On June 27, 2011, ACR acquired full control of MPC through an agreement with CHC, wherein CHC assigned all shares to ACR. The deed of sale of IDPP with Iligan City Government was signed on February 27, 2013. On August 1, 2013, ACR transferred MPC to CHC for a total consideration of ₱0.3 million. MPC entered into Power Supply Agreements (PSAs) with various distribution utilities and electric cooperatives (see Note 33). On September 6, 2013, MPC started operating 98 MW of the 103 MW Bunker-Fired IDPPs. MPC completed the rehabilitation and operated the balance of 5 MW in 2014.

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

SPPC and WMPC are Independent Power Producers (IPPs) with Energy Conversion Agreements (ECAs) with the Philippine government through the National Power Corporation (NPC). SPPC's and WMPC's ECAs ended on April 28, 2016 and December 12, 2015, respectively (see Note 33).

AREC and Subsidiaries

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

On July 10, 2015, ACR and AREC executed an assignment of share agreement wherein ACR assigned and transferred its ownership interests in Siguil and Kalaong to AREC. Accordingly, Siguil and Kalaong became subsidiaries of AREC. Also, ACR sold its 20% interest to ACIL, Inc., an entity under common control. Accordingly, ACR's interest in AREC was reduced from 100% to 80%.



Sigil and Kalaong. ACR organized and incorporated Sigil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Sigil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Sigil's 15 MW Hydro Power Project is in Maasim, Sarangani while Kalaong's 22 MW Hydro Power Project is in Bago, Negros Oriental. These projects are expected to augment power supply in the cities of General Santos and Bacolod, respectively, once they are completed.

In July 2019, Sigil has commenced its construction and expected to be completed in July 2022. As at March 19, 2020, Sigil and Kalaong have not yet started commercial operations.

Bago and Sindangan. AREC organized and incorporated Bago and Sindangan on February 26, 2018 and August 31, 2018, respectively, as wholly owned subsidiaries. Bago and Sindangan were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Bago's 42 MW Hydro Power Project is in Negros Occidental while Sindangan's 20 MW Hydro Power Project is in Siayan and Duminag, Zamboanga Del Norte. These projects are expected to augment power supply in the provinces of Negros Occidental and Zamboanga Del Norte, respectively, once they are completed. As at March 19, 2020, Bago and Sindangan have not yet started commercial operations.

Property Development

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

KAED. On September 3, 2010, ACR incorporated KAED to establish, develop, operate and maintain an agro-industrial economic zone and provides the required infrastructure facilities and utilities such as power and water supply and distribution system, sewerage and drainage system, waste management system, pollution control device, communication facilities and other facilities as may be required for an agro-industrial economic zone.

Other Investments

MADE. MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt on the MADE's ability to continue as a going concern. As at March 19, 2020, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

APSC. ACR organized and incorporated APSC on October 13, 2016 primarily to provide services necessary or appropriate in relation to the supply and delivery of electricity.

Approval and Authorization for the Issuance of the Consolidated Financial Statements

The consolidated financial statements were authorized for issuance by the BOD on March 19, 2020.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for equity investments designated at fair value through other comprehensive income (FVOCI)/available-for-sale (AFS) financial assets that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Parent Company. All amounts are rounded to the nearest peso, except as otherwise indicated.



Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), which include the availment of the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as discussed in Note 4.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 of each year (see Note 1).

The Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as those of the Parent Company.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling interests represent the portion of profits or losses and net assets of subsidiaries not held by the equity holders of the Parent Company and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the equity holders of the Parent Company.



Material Partly-Owned Subsidiaries

The tables below show details of materially partly owned subsidiaries of ACR either directly or indirectly:

Name of Subsidiary	Place of Incorporation and Operation	Principal Activity	Proportion Ownership Interest and Voting Rights Held by Non-controlling Interests		
			2019	2018	2017
SPPC	Philippines	Power generation	45.0%	45.0%	45.0%
WMPC	Philippines	Power generation	45.0%	45.0%	45.0%
ATEC	Philippines	Holding Company	50.0%	50.0%	100.0%
Sarangani	Philippines	Power generation	62.5%	62.5%	25.0%

The summarized financial information in respect of the subsidiaries that have material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-group eliminations.

Summarized statements of financial position as at December 31 are as follows:

	2019			2018		
	SPPC	WMPC	ATEC*	SPPC	WMPC	ATEC*
(Amounts in Thousands)						
Current assets	₱146,633	₱650,033	₱4,010,757	₱181,366	₱701,101	₱3,940,237
Noncurrent assets	268,987	374,544	28,196,622	316,737	447,237	25,870,607
Current liabilities	(37,516)	(211,434)	(7,971,094)	(38,092)	(538,524)	(6,685,461)
Noncurrent liabilities	(76,741)	(100,717)	(16,470,124)	(84,525)	(91,311)	(15,856,382)
Equity	₱301,363	₱712,426	₱7,766,161	₱375,486	₱518,503	₱7,269,001
Equity attributable to:						
Equity holders of the Parent Company	₱164,435	₱380,032	₱5,077,425	₱205,203	₱273,374	₱4,730,633
Non-controlling interests	136,928	332,394	2,688,736	170,283	245,129	2,538,368
	₱301,363	₱712,426	₱7,766,161	₱375,486	₱518,503	₱7,269,001

*Based on consolidated balances of ATEC and its subsidiaries.

Summarized statements of comprehensive income for each of the three years in the period ended December 31 are as follows:

	2019			2018			2017		
	SPPC	WMPC	ATEC*	SPPC	WMPC	ATEC*	SPPC	WMPC	ATEC*
(Amounts in Thousands)									
Revenue and other income	₱318	₱1,147,694	₱4,785,056	₱160,831	₱1,394,881	₱4,728,173	₱522,471	₱1,454,871	₱4,168,083
Expenses	(87,379)	(869,249)	(3,482,135)	(200,603)	(1,366,385)	(3,866,115)	(391,061)	(1,341,781)	(3,756,956)
Benefit from (provision for) income tax	12,265	(83,133)	(77,573)	(8,134)	(24,407)	(57,899)	(35,056)	(42,391)	(33,452)
Net income	(74,796)	195,312	1,225,348	(47,906)	4,089	804,159	96,354	70,699	377,675
Other comprehensive income (loss)	673	(1,389)	(13,187)	3,926	(10,215)	917	(876)	(498)	(470)
Total comprehensive income (loss)	(₱74,123)	₱193,923	₱1,212,161	(₱43,980)	(₱6,126)	₱805,076	₱95,478	₱70,201	₱377,205
Equity holders of the Parent Company									
Non-controlling interests	(₱40,768)	₱106,658	₱450,896	(₱24,189)	(₱3,369)	₱299,414	₱52,513	₱38,611	₱261,663
	(33,355)	87,265	761,265	(19,791)	(2,757)	505,662	42,965	31,590	115,542
	(₱74,123)	₱193,923	₱1,212,161	(₱43,980)	(₱6,126)	₱805,076	₱95,478	₱70,201	₱377,205

*Based on consolidated balances of ATEC and its subsidiaries.



Summarized statements of cash flows for each of the three years in the period ended December 31 are as follows:

	2019			2018			2017		
	SPPC	WMPC	ATEC*	SPPC	WMPC	ATEC*	SPPC	WMPC	ATEC*
(Amounts in Thousands)									
Operating	(₱30,689)	₱214,731	₱1,908,551	₱7,117	₱73,588	₱1,508,653	₱263,694	₱70,659	₱1,777,377
Investing	6,776	(55,912)	(2,299,504)	20,357	(84,212)	(4,529,582)	176,389	158,143	(4,940,797)
Financing	2,388	(200,589)	(84,962)	(102,912)	(9,516)	4,290,802	(407,779)	(157,804)	2,666,911
Net increase (decrease) in cash and cash equivalents	(₱21,525)	(₱41,770)	(₱475,915)	(₱75,438)	(₱20,140)	₱1,269,873	₱32,304	₱70,998	(₱496,509)
Dividends paid to non-controlling interests	₱-	₱-	₱185,000	₱-	₱22,500	₱497,500	₱157,500	₱67,500	₱-

*Based on consolidated balances of ATEC and its subsidiaries.

3. Changes in Accounting Policies and Disclosures

New Standards Effective Starting January 1, 2019

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new pronouncements starting January 1, 2019. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- **PFRS 16, *Leases***

PFRS 16, *Leases*, supersedes PAS 17, *Leases*, Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC) 4, *Determining whether an Arrangement contains a Lease*, Standing Interpretations Committee (SIC) 15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the consolidated statement of financial position.

The Group adopted PFRS 16 using the modified retrospective approach in 2019 and elects to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC 4.

The effect of adoption of PFRS 16 as of January 1, 2019 is as follows:

Increase in consolidated statement of financial position:

Right-of-use assets (Note 12)	₱35,274,144
Lease liability (Note 30)	35,274,144

The Group has lease contracts for office spaces. Before the adoption of PFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 4 for the accounting policy beginning January 1, 2019.



Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at January 1, 2019:

- Right-of-use assets of ₱35.27 million were recognized and presented as part of “Property, plant and equipment”.
- Lease liability of ₱35.27 million was recognized.
- Deferred tax liability on right-of-use assets increased by ₱10.58 million while deferred tax asset on lease liability increased by the same amount.

The lease liability as at January 1, 2019 as can be reconciled to the operating lease commitments as of December 31, 2018 follows:

Operating lease commitments as at December 31, 2018	₱42,053,783
<u>Less: Short-term lease commitments</u>	(1,877,508)
Operating lease commitments as at January 1, 2019	40,176,275
Incremental borrowing rate at January 1, 2019	8.76%
<u>Lease liabilities recognized at January 1, 2019</u>	<u>₱35,274,144</u>

Due to the adoption of PFRS 16, the Group’s operating profit in 2019 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases under PAS 17.

The adoption of PFRS 16 will not have an impact on equity in 2019, since the Group elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*, addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.



The interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately
- the assumptions an entity makes about the examination of tax treatments by taxation authorities
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- how an entity considers changes in facts and circumstances

The Group is required to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and use the approach that better predicts the resolution of the uncertainty. The Group shall assume that the taxation authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of the uncertainty for each uncertain tax treatment using the method the entity expects to better predict the resolution of the uncertainty.

Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, that it is probable that its income tax treatments will be accepted by the taxation authorities or if not probable, the impact is not significant to the consolidated financial statements.

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

Under PFRS 9, a debt instrument can be measured at amortized cost or at FVOCI, provided that the contractual cash flows are 'solely payments of principal and interest (SPPI) on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments had no impact on the consolidated financial statements of the Group.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).



The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

These amendments did not have significant impact on the consolidated financial statements of the Group.

- *Annual Improvements to PFRSs 2015-2017 Cycle*

- Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.



○ Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments had no significant impact on the consolidated financial statements of the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

○ Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

The adoption of this amendment resulted to additional capitalized borrowing costs relating to general borrowings amounting to ₱197 million in 2019.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2020

• Amendments to PFRS 3, *Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

These amendments will apply on future business combinations of the Group.



- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.



On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Summary of Significant Accounting and Financial Reporting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities and retirement benefits assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

The Group measures financial instruments, such as derivatives, at fair value at each statement of financial position date. Also, fair values of financial and non-financial instruments are disclosed in Note 32.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.



A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Cash and Cash Equivalents

Cash include cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisitions and are subject to an insignificant risk of changes in value.

Short-term Cash Investments

Short-term cash investments are short-term, highly liquid investments that are convertible to known amounts of cash with original maturities of more than three months but less than one year from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial Instruments - initial recognition and subsequent measurement effective January 1, 2018

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investments of another entity.

Financial Assets

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.



In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity investments)
- Financial assets at FVPL

The Group has financial instruments classified as financial assets at FVOCI but has no financial assets at FVPL.

Financial assets at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, short-term cash investments, receivables, deposits in interest reserve account, due from related parties and retention receivable.

Financial assets designated at FVOCI (equity investments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments, Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity investments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted and unquoted equity investments under this category.



Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payables and other current liabilities (excluding statutory payables), loans payable, short-term notes payable, long-term debt and lease liability.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in profit or loss.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. (a) For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). (b) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment. For receivables from real estate sales, ECL is computed using vintage analysis.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash and cash equivalents, short-term cash investments and deposits in interest reserve account, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Group uses the ratings published by a reputable rating agency.



For other financial assets such as due from related parties and recoverable deposits, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for expected credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over remaining life of the exposure, irrespective of the timing of default (a lifetime ECL).

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the Group's right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Financial Instruments - initial recognition and subsequent measurement prior to January 1, 2018

Date of recognition

The Group recognizes a financial asset in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date



accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. Derivatives are recognized on a trade date basis.

Initial recognition of financial instrument

Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

“Day 1” difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the consolidated statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference amount.

Categories of Financial Instruments

The Group classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Group has no HTM investments prior to January 1, 2018.

Financial assets and liabilities at FVPL

Financial assets and liabilities at FVPL include financial assets and liabilities held for trading and financial assets designated upon initial recognition as at FVPL and derivative instruments.

Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments or a financial guarantee contract.

Financial assets and liabilities may be designated by management at initial recognition as at FVPL when any of the following criteria is met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis;



- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

The Group has no financial assets and liabilities at FVPL prior to January 1, 2018.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the EIR. Gains and losses are recognized in the consolidated statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Included in this category are the Group's cash and cash equivalents, short-term cash investments, trade and other receivables, and refundable deposits (included as part of "Other noncurrent assets" account).

AFS financial assets

AFS financial assets are nonderivative financial assets that are designated as such or are not classified as financial assets at FVPL, HTM investments or loans and receivables. These are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the consolidated statement of comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss is recognized in the consolidated statement of income.

When the AFS financial asset is disposed of, the cumulative unrealized gain or loss previously recognized in equity is recognized as "Realized gain (loss) on AFS financial assets" in the consolidated statement of income. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in, first-out basis. Dividends earned on holding AFS financial assets are recognized in the consolidated statement of income as "Dividend income" when the right to the payment has been established. The losses arising from impairment of such investments are recognized as "Impairment loss on AFS financial assets" in the consolidated statement of income.

Included in this category are the Group's investments in quoted and unquoted equity securities.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or designated as FVPL upon inception of the liability and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial



instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

These include liabilities arising from operations (e.g., accounts payable and accrued liabilities, excluding withholding taxes and other taxes payable to government agencies) and loans and borrowings. All loans and borrowings are initially recognized at fair value less debt issue costs associated with the borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and debt issue costs that are an integral part of the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are shown as a contra account against long-term debts and are amortized over the terms of the related borrowings using the effective interest method.

The portion of the debt issue costs attributable to the undrawn portion is deferred and is being amortized over the commitment period on a straight-line basis. However, if it is probable at inception that the facility will be utilized, the debt issue cost will be amortized over the term of the related borrowings using the effective interest method. Debt issue costs pertaining to current portion of the long-term debts are classified as current liabilities; otherwise, these are classified as noncurrent liabilities.

Included in this category are the Group's accounts payable and other current liabilities (excluding statutory payables), loans payable, short-term notes payable and long-term debts.

Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.



If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the consolidated statement of income. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is presented as "Gain on recovery of bad debts" under other income (charges) in the consolidated statement of income.

AFS financial assets

In the case of equity investments classified as AFS, impairment would include a significant or prolonged decline in the fair value of the investments below its cost. The Group treats "significant" generally as 20% or more and "prolonged" as greater than 12 months for quoted equity securities. Where there is evidence of impairment loss, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income - is removed from OCI and recognized in profit or loss. Impairment losses on equity investments are not reversed in the consolidated statement of income. Increases in their fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the Group's right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.



Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Derivative Financial Instrument

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract (sometimes called the “underlying”);
- b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and,
- c. it is settled at a future date.

Derivative instruments (including bifurcated embedded derivatives) are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently re-measured at fair value. Changes in fair value of derivative instruments not accounted for as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Embedded derivatives

The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid or combined instrument is not measured at fair value with changes in fair value reported in the consolidated statement of income. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded, the host contract or both have changed and whether the change is significant relative to the previously expected cash flows on the contract.

The Group has no embedded derivatives which are required to be bifurcated.



Classification of Financial Instruments between Debt and Equity

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Spare Parts and Supplies

Spare parts and supplies are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average cost method. NRV is the current replacement cost.

When the circumstances that previously caused the spare parts and supplies to be written down below cost no longer exist, or when there is clear evidences of an increase in NRV because of changes in economic circumstances, the amount of write-down is reversed. The reversal cannot be greater than the amount of the original write-down.

Real Estate Inventories

Real estate inventories representing real estate opened up for sale are carried at the lower of cost and NRV. The cost includes acquisition cost of the land, direct development cost incurred, including borrowing costs and any other directly attributable costs of bringing the assets to its intended use. NRV is the estimated selling price in the ordinary course of business, less estimated cost to sell. A write-down of inventories is recognized in consolidated statement of income when the cost of the real estate inventories exceeds its NRV.

Repossessed inventories are measured at cost at the time of original sale. The Company avails of the relief granted by SEC to defer the adoption of accounting for cancellation of real estate sales as discussed in PIC Q&A No. 2018-14, which requires repossessed inventories to be measured at either fair value less cost to reposess or fair value plus repossession cost.

Investments in Real Estate

Investments in real estate comprise land, building and improvements which are not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. Cost includes acquisition cost of the land and any other directly attributable costs of bringing the asset to its intended use.

Subsequent to initial recognition, investments in real estate, except land, are measured at cost less accumulated depreciation and impairment loss. Land is carried at cost less any impairment in value.

Building and improvements are depreciated using the straight-line method over the estimated useful life of five (5) years to fifteen (15) years.

Investments in real estate are derecognized when either these have been disposed of or when the investment in real estate is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment in real estate are recognized in the consolidated statement of income in the year of retirement or disposal.



Transfers are made to investments in real estate when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investments in real estate when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investments in real estate at the date of change in use.

Investments in Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

The consideration made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in associates are accounted for under the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associate. The consolidated statement of income reflects the Group's share of the financial performance of the associates. Unrealized gains and losses from transactions with the associates are eliminated to the extent of the Group's interest in the associates. The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

An investment in an associate is accounted for using the equity method from the date when it becomes an associate. On acquisition of the investment, any difference between the cost of the investment and the investor's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for as follows:

- a. Goodwill relating to an associate is included in the carrying amount of the investment. However, amortization of that goodwill is not permitted and is therefore not included in the determination of the Group's share in the associate's profit or losses.
- b. Any excess of the Group's share in the fair value of the associate's identifiable assets, liabilities, and contingent liabilities over the cost of the investment is included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Also, appropriate adjustments to the Group's share of the associate's profit or loss after acquisition are made to account, if any, for the depreciation of the depreciable assets based on their fair values at the acquisition date and for impairment losses recognized by the associate, such as for goodwill or property, plant and equipment.

When the Group's interest in an investment in associate is reduced to zero, additional losses are provided only to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the investee that the Group has guaranteed or otherwise committed. If the associate subsequently reports profits, the Group resumes recognizing its share of the profits if it equals the share of net losses not recognized.



The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with PAS 39 from that date, provided the associate does not become subsidiary or a joint venture. Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Property, Plant and Equipment

The Group's property, plant and equipment consist of land, buildings, leasehold improvements, machinery and equipment, construction in progress and right-of-use asset that do not qualify as investment properties.

Property, plant and equipment, except for land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost less any impairment in value. The initial cost of property, plant and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is carried at cost less any impairment losses.

Depreciation of an item of property, plant and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date the item is derecognized.

Property, plant and equipment are depreciated using the straight-line method over their expected economic useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The components of the power plant complex and their related estimated useful lives are as follows:

	Number of Years
Main engine, transmission lines and sub-station	12 - 28
Plant mechanical, electrical, switchyard and desulfurization equipment	28
Plant structures and others	28

Other property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Number of Years
Buildings	10
Leasehold improvements	5 or term of the lease, whichever period is shorter



	Number of Years
Machinery and other equipment:	
Machinery and equipment	5 - 10
Office furniture, fixtures and equipment	3 - 5
Transportation equipment	3 - 5

Construction in progress represents properties under construction and is stated at cost. Cost includes cost of construction and other direct costs. Construction in progress is depreciated when the asset is available for use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the property, plant and equipment (difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income in the period the property, plant and equipment is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Right-of-use assets (Effective January 1, 2019)

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term.

Right-of-use assets are subject to impairment.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method.

Initial measurement

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs incurred such as finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department or business development offices are expensed and included as part of "General and administrative expenses" account in the consolidated statement of income.



When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized either in the consolidated statement of income. If the contingent consideration is not within the scope of PFRS 39, it is measured in accordance with appropriate PFRSs. Contingent consideration that is classified as equity is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to these provisional values because of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if the asset, liability or contingent liability's fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

Subsequent measurement

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's format determined in accordance with PFRS 8, *Operating Segments*.



Where goodwill forms part of a CGU or group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized as income or loss in the consolidated statement of income.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its impairment test of goodwill annually every December 31.

Computer Software

Computer software (included as part of “Other noncurrent assets” account) is initially recognized at cost. Following initial recognition, computer software is carried at cost less accumulated amortization and accumulated impairment losses, if any.

The software cost is amortized on a straight-line basis over its useful economic life of three (3) years and assessed for impairment whenever there is an indicator that the computer software may be impaired. The amortization commences when the computer software is available for use. The amortization period and method for the computer software are reviewed at each reporting date.

Changes in the expected useful life is accounted for by changing the amortization period as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. If any such indication exists and when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s cash-generating unit’s fair value less cost to sell or its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. Any impairment loss is recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is



reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The Group determines whether it is necessary to recognize an additional impairment loss on the Group's investments in associates after application of the equity method. The Group determines at each statement of financial position date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the investment in associate and the acquisition cost (adjusted for post-acquisition changes in the Group's share of the financial performance of the associates) and recognizes the difference in the consolidated statement of income.

Capital Stock

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Redeemable Preferred Shares

In determining whether a preferred share is a financial liability or an equity investment, the Group assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. A preferred share that provides for mandatory redemption by the Group for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the Group to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Redeemable preferred shares is presented as equity when the option for redeeming the redeemable preferred shares is at the issuer's discretion and the price of redemption is to be decided by the BOD.

Retained Earnings

Retained earnings include accumulated profits attributable to the equity holders of the Parent Company reduced by dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders. Appropriated retained earnings are restricted for specific purposes that are approved by the BOD and are not available for dividend distributions.

Cash Dividend and Non-cash Distribution to Equity Holders of the Parent Company

The Parent Company recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Parent Company. A distribution is authorized when it is approved by the BOD. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.



Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of income.

Revenue Recognition (Upon Adoption of PFRS 15 Beginning January 1, 2018)

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Energy sales. Revenue from contracts with customers is recognized whenever the Group's power generation capacity is contracted and/or the electricity generated by the Group is transmitted through the transmission line designated by the buyer for a consideration. The Group has concluded that it is acting as a principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The contracted capacity as agreed in the PSA and the energy delivered to customers are separately identified. These two performance obligations are combined and considered as one performance obligation since these are not distinct within the context of PFRS 15 as the buyer cannot benefit from the contracted capacity without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Real estate sales. The Group derives its real estate sales from sale of lots. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Contract balances

Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets. Contract assets pertain to the Group's conditional right over the consideration for the completed performance for which revenue was already recognized but not yet billed to the customers. The amounts recognized as contract assets from energy sales will be reduced gradually at the time the related amount billed, billable and/or collected from the customers under the contract is greater than the revenue earned and recognized.

Contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs its obligations under the contract. The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.



Cost to obtain a contract. The Group pays sales commission and transportation to its marketing agents on the sale of real estate units. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under “Operating expenses”) because the amortization period of the asset that the Group otherwise would have used is one (1) year or less.

Revenue Recognition (Prior to Adoption of PFRS 15)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Regardless of when the payment is being made, revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue recognition arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all its arrangements.

Energy sales. Revenue from PSAs consist of fixed capital recovery fee, fixed and variable operation and maintenance fee, actual fuel cost and other variable energy fees. Revenues from fixed capital recovery fee and fixed operation and maintenance fee are recognized on a monthly basis in accordance with the terms of the PSAs. Revenue from actual fuel cost, and variable operations and maintenance and other energy fees are recognized upon delivery of power to customers.

Real estate sales. Revenue from sales of completed real estate projects is accounted for using the full accrual method. In accordance with PIC Q&A 2006-01, the percentage-of-completion method is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to the buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the costs incurred or to be incurred can be measured reliably. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the physical proportion of contract work. The percentage of completion is determined by the Group’s project engineers.

Management fees. Revenue from management services is recognized as the services are rendered in accordance with the terms of the agreements.

Rental Income

Rental income is recognized on a straight-line method over the term of the lease agreements.

Interest Income

Interest income is recognized as the interest accrues using the EIR.

Costs and Expenses

Costs and expenses are recognized in the consolidated statement of income when a decrease in future economic benefit related to a decrease of an asset or an increase of a liability has arisen that can be measured reliably. Costs and expenses are recognized in the consolidated statement of income on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated statement of financial position as an asset.



Retirement Benefits

The Group, excluding SPPC, WMPC and APMC, has an unfunded, noncontributory defined benefit retirement plan covering all qualified employees. SPPC, WMPC, and APMC have a funded, noncontributory defined benefit retirement plan covering all qualified employees. The Group's obligation and costs of retirement benefits are actuarially computed by professionally qualified independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which these occur in OCI.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net retirement benefits obligation or asset
- Remeasurements on the net retirement benefits obligation or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as part of retirement cost in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the statement of financial position date.

Lease Liability (Effective January 1, 2019)

At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Leases (Effective prior to January 1, 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases are recognized as expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign Currency-denominated Transactions and Translations

Transactions denominated in foreign currency are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate of exchange at the statement of financial position date. Nonmonetary items denominated in foreign currency are translated using the exchange rates as at the date of initial transaction. All exchange rate differences are taken to the consolidated statement of income.



Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs not qualified for capitalization are expensed as incurred.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date. Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the consolidated statement of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of "Other current assets" in the consolidated statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable income; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) [excess MCIT] and net operating loss carryover (NOLCO).

Deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of excess MCIT and NOLCO can be utilized, except as summarized below.

- When the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.



The carrying amount of deferred income tax assets is reviewed at the end of each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Value-added tax

Revenues, expenses, and assets are recognized net of the amount of value-added tax (VAT), if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provisions due to the passage of time is recognized as an interest expense.

Decommissioning liability

The decommissioning liability arose from the WMPC's, SPPC's and Sarangani's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future



costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount. If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statement of income.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Basic/Diluted Earnings Per Share

Basic/diluted earnings per share (EPS) is determined by dividing net income by the weighted average number of shares issued and outstanding after giving retroactive adjustment for any stock dividends and stock splits declared during the period. The Group has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted EPS.

Business Segments

Operating segments are components of the Group: (a) that engage in business activities from which the Group may earn revenues and incur losses and expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available. The Group's CODM is the Parent Company's BOD. The Parent Company's BOD regularly reviews the operating results of the business units to make decisions on resource allocation and assess performance.

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

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, short-term cash investments, trade and other receivables, investments in real estate and real estate inventories, and property, plant and equipment, net of allowances and provision. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities. Segment assets and liabilities do not include deferred income taxes, investments and advances, and borrowings.

Inter-segment transactions

Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

Events After the End of Reporting Period

Events after the end of the reporting period that provide additional information about the Group's financial position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.



5. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Management believes the following represent a summary of these significant judgments, estimates and assumptions and related impact and associated risks in the consolidated financial statements.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of appropriate deferred income tax rate

Sarangani is entitled to a 5% gross income tax (GIT) rate on its total power sales provided that, as a Filipino company, 50% of its power output is sold to a Philippine Economic Zone Authority (PEZA)-registered export enterprises and qualified constructive exporters (see Note 33). Management believes that they will be able to meet the required sales of power output to a PEZA-registered export enterprises and qualified constructive exporters and will continue to preserve its entitlement to use the 5% GIT rate.

Evaluating revenue from contracts with customers

The Group applied the following judgements in the determination of the amount and timing of revenue recognition:

- *Identifying performance obligations*

Under PFRS 15, for energy sales, the contracted capacity as agreed in the PSA and the energy delivered to customers are separately identified. These two performance obligations are combined and considered as one performance obligation since these are not distinct within the context of PFRS 15 as the buyer cannot benefit from the contracted capacity without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

- *Determining method to estimate variable consideration and assessing the constraint*

Some contracts with customers provide unspecified quantity of energy, provisional Energy Regulatory Commission (ERC) rates, volume or prompt payment discounts and foreign exchange and consumer price index (CPI) adjustments in the monthly billing. Under PFRS 15, such provisions give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The expected value method of estimation takes into account a range of possible outcomes while the most likely amount is used when the outcome is binary. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.



For prompt payment discount, the Group determined that the most likely method is the appropriate method to use in estimating the variable consideration given that there are few possible outcomes.

Foreign exchange adjustments in monthly fixed/variable overhead and fee for actual energy delivered (fuel cost, subject to consumer price index and forex adjustments) will be constrained since the amount of consideration is highly susceptible to factors outside the Group's influence (e.g., market movements for forex and consumer price index, and actual demand of the customer for energy) and the contract has a large number and broad range of possible consideration amounts. Reassessment will be made as the contract progresses.

Amount for the variable consideration will be included in the specific month the adjustments had occurred.

- *Allocation of variable consideration*

Variable consideration may be attributable to the entire contract or to a specific part of the contract. Revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month) which forms part of the single performance obligation.

- *Timing of revenue recognition*

The Group concluded that revenue from energy sales is to be recognized over time because the customers simultaneously receives and consumes the benefits as the Group supplies power.

- *Identifying methods for measuring progress of revenue recognized over time*

The Group determined that the output method is the best method in measuring progress as actual electricity is supplied to customers. The Group recognizes revenue based on:

- a. For fixed capacity payments, the Group allocates the transaction price on a straight-line basis over the contract term; and
- b. For the variable energy payment, actual kilowatt hours consumed which are billed on a monthly basis.

As a result of the adoption of PFRS 15 in 2018, the Group recognized adjustment to the retained earnings on January 1, 2018 amounting to ₱592 million and to non-controlling interest amounting to ₱249 million representing the difference between the amount that should be recognized as revenue on a straight-line basis as compared to the revenue based on billings.

Assessment of control over its subsidiary

Under PFRS 10, an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On November 27, 2017, the Parent Company sold its 50% ownership interest less 1 share of the voting and total outstanding capital stock in ATEC to GBPC through the execution of deed of absolute sale of shares. The Parent Company has determined that it has retained control over ATEC since it has the power to direct the relevant activities of ATEC by virtue of a contractual agreement.

Assessment of significant influence on investment with less than 20% of voting rights

Prior to 2015, the Parent Company exercised significant influence on its interest in Indophil Resources, NL (IRNL) despite owning less than 20% interest by virtue of an Agreement for the Joint Voting of IRNL shares entered into with Alsons Prime Investment Corporation (APIC) and AC,



companies under the Alcantara Group, through the Alcantara Group's representation in the BOD of IRNL. Accordingly, the Parent Company accounted for its investment in IRNL as part of "Investments in associates" with carrying value amounting to ₱1,213 million.

In 2015, the Parent Company acquired an interest in Indophil Resources Philippines, Inc. (IRPI) through the swap of its interest in IRNL for an interest in IRPI. While the Parent Company holds less than 20% interest in IRPI, the Parent Company assessed that it exercises significant influence over IRPI because of its representation in the BOD of IRPI and representations in the BOD and Operating Committee of the operating subsidiary of IRPI. Accordingly, the Parent Company accounts for its investment in IRPI as part of "Investments in associates", with carrying value amounting to ₱1,216 million and ₱1,213 million as at December 31, 2019 and 2018, respectively (see Note 11).

Distinction between real estate inventories and investments in real estate

The Group determines whether a property will be classified as real estate inventories or investments in real estate as follows:

- Real estate inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.
- Investments in real estate comprise land and building which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

As at December 31, 2019 and 2018, the carrying values of the Group's investments in real estate and real estate inventories amounted to ₱823 million (see Note 10).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for expected credit losses on trade receivables (PFRS 9)

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the correlation between observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. Trade receivables and contract assets amounted to ₱2,760 million, net of allowance for impairment losses of ₱65 million and ₱2,406 million, net of allowance for impairment losses of ₱65 million as of December 31, 2019 and 2018, respectively (see Note 8).

Estimation of NRV of inventories

Inventories are valued at the lower of cost and NRV. For spare parts and supplies, allowance for inventory obsolescence and losses are maintained at a level considered adequate to provide for potentially nonvaluable items. The level of allowance is based on the turnover/movement of specific inventories and other physical factors affecting usefulness of specific inventories.



For real estate inventories, determining the net realizable value requires the determination of cash flows from the expected sale of the asset less cost of marketing. The determination of net realizable value requires the Group to make estimates and assumptions that may materially affect the consolidated financial statements such as the estimated selling prices of the real estate inventories and estimated cost of marketing. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material impact on the Group's financial position and performance.

The carrying values of spare parts and supplies amounted to ₦643 million and ₦683 million as at December 31, 2019 and 2018, respectively (see Note 9). The carrying values of real estate inventories amounted to ₦632 million as at December 31, 2019 and 2018 (see Note 10).

Estimation of useful lives of property, plant and equipment and investments in real estate
The useful lives of the property, plant and equipment and investments in real estate are estimated based on the period over which the property, plant and equipment are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimated useful lives of property, plant and equipment and investments in real estate are reviewed periodically and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment and investments in real estate. It is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment and investments in real estate would increase the recorded expenses and decrease the carrying values of the property, plant and equipment and investments in real estate.

The carrying values of property, plant and equipment and investments in real estate totalled to ₦29,288 million and ₦27,329 million as at December 31, 2019 and 2018, respectively (see Notes 10 and 12).

Impairment of nonfinancial assets (except goodwill)

An impairment review is performed when certain impairment indicators are present. These factors include, among others:

- a. investments in real estate and property, plant and equipment:
 - Significant underperformance relative to the future sales performance and projected operating results; and
 - Significant negative industry or market trends.
- b. investment in associates

Impairment exists when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use.

The Group is required to make estimates and assumptions that can materially affect the consolidated financial statements when determining the value-in-use of nonfinancial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. Future events could cause the Group to conclude that such financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance.



Based on management's evaluation in 2019 and 2018, the Group's nonfinancial assets with carrying values as at December 31 as follows are not impaired:

	2019	2018
	<i>(In Millions)</i>	
Property, plant and equipment (Note 12)	₱29,097	₱27,138
Investments in associates (Note 11)	2,198	2,210
Investments in real estate (Note 10)	191	191
	₱31,486	₱29,539

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis, or more frequently, if events or changes in circumstances indicate that it may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

No impairment loss on goodwill was recognized in 2019 and 2018. The carrying amount of goodwill amounted to ₱807 million as at December 31, 2019 and 2018 (see Note 14).

Estimation of retirement benefits cost and obligation and accrued compensation absences

The determination of the retirement benefits cost and obligation and accrued compensated absences is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions, which include among others, discount rates and future salary increase, are described in Note 28. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations and accrued compensated absences.

The Group obtained actuarial valuation reports in 2019 and 2018. Total net retirement assets of SPPC and WMPC amounted to ₱18 million and ₱20 million as at December 31, 2019 and 2018, respectively, and net retirement liability of APMC amounted to ₱12 million and ₱3 million as at December 31, 2019 and 2018, respectively (see Note 28). Total retirement benefits liabilities of the Parent Company, ALC, MPC and Sarangani amounted to ₱62 million and ₱35 million as at December 31, 2019 and 2018, respectively (see Note 28). Retirement benefits costs recognized in the consolidated statements of income amounted to ₱15 million in 2019 and 2018 and ₱13 million in 2017, respectively (see Notes 24 and 28). Accrued compensated absences amounted to ₱20 million and ₱14 million as at December 31, 2019 and 2018, respectively (see Note 28).

Estimation of decommissioning liability

The decommissioning liability arises from WMPC's, SPPC's and Sarangani's obligation, under its ECC, to decommission or dismantle its power plant complex at the end of their operating lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an interest expense. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount.



If the decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in the consolidated statements of income. Decommissioning liability as at December 31, 2019 and 2018 amounted to ₦375 million and ₦199 million, respectively (see Note 19).

Estimation and recognition of deferred income tax assets

The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Group's past results and future expectations on revenues and expenses.

In prior years, SPPC and WMPC determined that the use of Optional Standard Deduction (OSD) would be advantageous based on their forecast. Deferred income taxes on items considered in determining gross income for income tax purposes were computed using an effective tax rate of 18% and deferred income taxes on items not part of gross income for income tax purposes were not recognized. Starting 2018, SPPC and WMPC reverted to the use of itemized deduction because based on management's estimate, the use of OSD is no longer beneficial to SPPC and WMPC. Accordingly, the tax rate used in determining deferred income tax is at 30%.

Deferred income tax assets amounted to ₦76 million and ₦43 million as at December 31, 2019 and 2018, respectively. Also, the Group has unrecognized NOLCO, excess MCIT and deductible temporary differences as at December 31, 2019 and 2018 as disclosed in Note 29.

Valuation of unquoted equity investments designated as financial assets at FVOCI

In valuing the Group's unquoted investments at FVOCI especially the Group's investment in Aldevino in compliance with PFRS 9, management applied judgment in selecting the valuation technique and used assumptions in estimating the fair value of its equity investments considering the information available to the Group. The key assumptions used in the valuation are disclosed in Notes 13 and 32.

As of December 31, 2019 and 2018, the Group's unquoted equity investment in Aldevinco amounted to ₦2,200 million (see Note 13 and 32).

Legal contingencies

The Group is involved in certain legal proceedings. The estimate of the probable costs for the assessment and resolution of these possible claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon thorough analysis of potential results. There are no provisions for probable losses arising from contingencies recognized in the Group's consolidated financial statements as management believes that the resolution will not materially affect the Group's financial position and performance (see Note 34).

Recognition of contingent assets

The Group evaluates contingent assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent assets.

As of December 31, 2019 and 2018, management believes that the Group's claim from NPC is not yet virtually certain as it requires further review of the Commission on Audit (COA) and



appropriation of funds for NPC to settle the amount of the claim. However, the inflow of economic benefits relating to the said claim has been assessed as probable. Hence, the contingent asset has been disclosed in Note 8.

6. Segment Information and Revenue from Contracts with Customers

Segment Information

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

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

2019

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
Earnings Information						
Revenues						
External customer	₱6,781,110	₱12,986	₱-	₱6,796,096	₱-	₱6,796,096
Inter-segment	261,187	5,098	420,732	687,017	(687,017)	-
Total revenues	7,042,297	18,084	420,732	7,481,113	(685,017)	6,796,096
Interest income	74,374	851	43,964	119,189	(996)	118,193
Finance charges	737,904	-	561,729	1,299,633	(218,619)	1,081,014
Provision for (benefit from) income tax	141,766	497	(23,347)	118,916	(51,880)	67,036
Net income (loss)	1,306,099	(14,518)	(189,616)	1,101,965	(127,812)	974,153
Other Information						
Investments in associates and due from related parties	696,388	826,832	6,462,431	7,985,651	(4,387,767)	3,597,884
Segment assets	37,434,694	2,046,803	14,686,837	54,168,334	(8,559,120)	45,609,214
Segment liabilities	27,052,718	319,802	7,261,921	34,634,441	(3,879,924)	30,754,517
Depreciation	1,028,507	897	1,586	1,030,990	45,844	1,076,834
Cash Flow Information						
Net cash flows from (used in):						
Operating activities	2,316,549	28,642	(199,750)	2,145,441	320,932	2,466,373
Investing activities	(2,255,429)	(2,555)	56,207	(2,201,777)	(881,698)	(3,083,475)
Financing activities	(683,303)	433	119,399	(563,471)	530,304	(33,167)

2018

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
Earnings Information						
Revenues						
External customer	₱6,632,711	₱33,560	₱-	₱6,666,271	₱-	₱6,666,271
Inter-segment	154,400	-	236,501	390,901	(390,901)	-
Total revenues	6,787,111	33,560	236,501	7,057,172	(390,901)	6,666,271
Interest income	36,183	1,263	49,337	86,783	(23,817)	62,966
Finance charges	820,634	-	616,765	1,437,399	(251,506)	1,185,893
Provision for (benefit from) income tax	83,720	377	9,740	93,837	45,894	139,731
Net income (loss)	754,258	(4,249)	952,469	1,702,478	(1,139,525)	562,953
Other Information						
Investments in associates and due from related parties	278,075	898,856	6,220,988	7,397,919	(4,071,782)	3,326,137
Segment assets	34,324,006	2,128,053	21,650,685	58,102,744	(14,610,921)	43,491,823
Segment liabilities	21,588,204	386,520	10,296,094	32,270,818	(3,284,435)	28,986,383
Depreciation	(833,638)	(886)	(81)	(834,605)	(37,342)	(871,947)

(Forward)



	Power and Energy	Property Development	Other Investments	Total	Eliminations	Consolidated						
	(Amounts in Thousands)											
Cash Flow Information												
Net cash flows from (used in):												
Operating activities	₱1,667,751	₱7,924	₱442,825	₱2,118,500	₱870,859	₱2,989,359						
Investing activities	(4,767,164)	(12,993)	480,900	(4,299,257)	(1,010,793)	(5,310,050)						
Financing activities	4,159,716	(1,646)	(2,890,530)	1,267,540	147,170	1,414,710						
2017												
	Power and Energy	Property Development	Other Investments	Total	Eliminations	Consolidated						
	(Amounts in Thousands)											
Earnings Information												
Revenues												
External customer	₱6,488,971	₱29,930	₱-	₱6,518,901	₱-	₱6,518,901						
Inter-segment	403,950	-	399,415	803,365	(803,365)	-						
Total revenues	6,892,921	29,930	399,415	7,322,266	(803,365)	6,518,901						
Interest income	23,909	414	37,358	61,681	(23,818)	37,863						
Finance charges	801,865	-	664,775	1,466,640	(266,344)	1,200,296						
Provision for (benefit from) income tax	121,275	187	(806)	120,656	57,226	177,882						
Net income (loss)	630,378	(923)	375,708	1,005,163	(901,685)	103,478						
Other Information												
Investments in associates and due from related parties												
Segment assets	518,409	898,885	6,049,103	7,466,397	(4,068,531)	3,397,866						
Segment liabilities	27,442,380	2,115,326	22,991,308	52,549,014	(14,312,301)	38,236,713						
Depreciation	15,009,098	378,830	11,935,405	27,323,333	(2,916,263)	24,407,070						
	(852,252)	(743)	(101)	(853,096)	(28,438)	(881,534)						
Cash Flow Information												
Net cash flows from (used in):												
Operating activities	2,157,299	23,098	19,938	2,200,335	2,026,736	4,227,071						
Investing activities	(4,139,429)	(5,851)	2,840,914	(1,304,366)	(1,625,269)	(2,929,635)						
Financing activities	1,626,630	(4,871)	(185,950)	1,435,809	(403,738)	1,032,071						
The Group operates and derives principally all of its revenues from domestic operations. Thus, geographical business information is not required.												
The following illustrate the reconciliations of reportable segment assets and liabilities to the Group's corresponding amounts:												
			2019	2018	2017							
			(Amounts in Thousands)									
Assets												
Total assets for reportable segments			₱46,182,683	₱50,704,825	₱45,082,617							
Investments in shares of stock of subsidiaries and associates and due from related parties			7,985,651	7,397,919	7,466,397							
Eliminations			(8,559,120)	(14,610,921)	(14,312,301)							
Consolidated assets			₱45,609,214	₱43,491,823	₱38,236,713							
Liabilities												
Total liabilities for reportable segments			₱4,468,741	₱2,698,272	₱1,870,957							
Long-term debts			23,299,495	22,781,654	18,709,922							
Due to related parties			5,657,803	5,274,991	5,211,683							
Loans payable			112,292	354,896	975,709							
Deferred income tax liabilities - net			711,388	849,195	315,401							
Income tax payable			68,454	10,208	19,368							
Accrued interest payable			316,268	301,601	220,293							
Eliminations			(3,879,924)	(3,284,434)	(2,916,263)							
Consolidated liabilities			₱30,754,517	₱28,986,383	₱24,407,070							



Revenue from Contracts with Customers

Disaggregated Revenue Information

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended December 31:

Type of contract	2019	2018
Revenue from power supply agreements	₱6,783,110,581	₱6,637,809,579
Revenue from contract to sell of residential lots	2,806,925	16,410,658
	₱6,785,917,506	₱6,654,220,237

Contract Balances

The Group's receivables as at December 31, 2019 is disclosed in Note 8. The Group's contract assets as at December 31, 2019 and 2018 amounted to 1,182 million and 1,080 million, respectively, representing excess of revenue earned and recognized over the amount billed, billable and/or collected from the customers under the contract (see Note 8).

As of December 31, 2019, the Group's contract liability amounted to ₱26 million, which pertains to down payment in relation to a contract entered into by KAED with a third party (nil in 2018) [see Note 16].

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

	2019	2018
Cash on hand	₱382,500	₱355,500
Cash in banks	2,113,520,593	2,672,453,236
Cash equivalents	700,657,546	801,753,105
	₱2,814,560,639	₱3,474,561,841

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

Short-term cash investments amounting to ₱182 million and ₱263 million as at December 31, 2019 and 2018, respectively, consist of money market placements with maturities of more than three months but less than one year with interest rates ranging 3.00% to 4.10% and 3.00% to 6.00% in 2019 and 2018, respectively. Interest income from cash and cash equivalents and short-term cash investments amounted to ₱103 million, ₱55 million and ₱23 million in 2019, 2018 and 2017, respectively.

8. Trade and Other Receivables

	2019	2018
Trade:		
Power	₱1,611,601,143	₱1,359,055,132
Real estate	82,317,559	94,922,081
Product distribution and others	31,730,458	31,730,458
Due from related parties (Note 20)	1,399,743,565	1,116,603,735
Contract assets (Note 6)	1,182,196,755	1,080,416,000
Retention receivables	24,455,481	44,455,481
Others	65,150,848	51,910,016
	4,397,195,809	3,779,092,903

(Forward)



	2019	2018
Less noncurrent portion of:		
Installment receivables	₱1,967,393	₱4,019,641
Contract assets (Note 6)	1,131,664,236	1,080,416,000
	<u>1,133,631,629</u>	<u>1,084,435,641</u>
	<u>3,263,564,180</u>	<u>2,694,657,262</u>
Less allowance for impairment losses	83,435,820	83,435,820
	<u>₱3,180,128,360</u>	<u>₱2,611,221,442</u>

Power

These receivables are noninterest-bearing and are generally on 30 days term. Trade receivables include SPPC's long-outstanding receivables from NPC amounting to ₱123 million as at December 31, 2019 and 2018. These receivables pertain to the portion of accounts that was disputed by NPC and was decided upon by the Energy Regulation Commission (ERC) on June 3, 2013 in favor of SPPC. On July 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 elevated the case with the Supreme Court (SC). On July 4, 2016, SC rendered a decision holding NPC liable to pay SPPC for the additional 5 MW from 2005 to 2010 which affirmed ERC's requirement for both parties to reconcile settlement amount. On November 23, 2016, SC issued its decision to deny the motion for reconsideration submitted by NPC and to render the case with finality. On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On September 6, 2019, SPPC filed with ERC a Manifestation with Urgent Motion to Resolve, praying that the commission: (1) resolve and grant SPPC's Omnibus Motion for Issuance of Writ of Execution and Notice of Garnishment dated July 18, 2018; and (2) resolve the issue of NPC's liability for interest in favor of SPPC under the Energy Conversion Agreement.

On December 4, 2019, while awaiting the ERC's resolution on SPPC's motion, SPPC's Executive Vice President, Tirso G. Santillan, wrote a letter to the NPC stating that "SPPC agreed to collect the principal amount of ₱68.64 million and US\$5.77 million, and waive the interests amounting to ₱52.98 million and US\$3.43 million."

On December 9, 2019, the NPC, through its president and CEO Pio J. Benavidez, signified its agreement to SPPC's waiver of its claim of interest.

On December 27, 2019, SPPC filed with the ERC an Omnibus Motion to (a) Resolve and (b) Withdraw Claim for Interest. As at March 19, 2020, the motion remains pending with the ERC.

The allowance for impairment loss of ₱34 million as at December 31, 2019 and 2018, is management's best estimate of impairment loss on the long-outstanding receivables from NPC.

Real Estate

These pertain to receivables from venturers and customers from the sale of residential and commercial lots and units. Real estate receivables are generally noninterest-bearing and have terms of less than one year, except for installment receivables amounting to ₱57 million and ₱61 million as at



December 31, 2019 and 2018, respectively, which are collectible in monthly installment over a period of two (2) to ten (10) years and bear interest rates ranging from 18% to 21% computed on the outstanding balance of the principal. Title on the lots sold is passed on to the buyer only upon full settlement of the contract price. The noncurrent portion of the installment receivables amounted to ₱2 million and ₱4 million as at December 31, 2019 and 2018, respectively.

Real estate receivables include the Group's share on the sale of the developed residential and commercial lots and golf club shares in the Eagle Ridge Golf and Residential Estates jointly developed with Sta. Lucia Realty and Development, Inc. (SLRDI) (see Notes 10 and 33).

Product Distribution and Others

These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at December 31, 2019 and 2018.

Retention Receivables

Retention receivables pertain to the outstanding balances from GBPC and Aboitiz Land, Inc. (Aboitiz) for the sale of investment in ATEC (see Note 1) and Lima Land Inc. (LLI), which will be collected upon issuance by BIR of the Certificate Authorizing Registration and accomplishment of certain milestones, respectively.

Due from Related Parties and Other Receivables

Other receivables primarily include advances to employees, receivables from contractors, receivables from insurance claims and receivables from venturers. Terms and conditions of the "Due from related parties" are disclosed in Note 20.

9. Spare Parts and Supplies

	2019	2018
Coal	₱313,554,548	₱301,874,872
Spare parts	189,863,596	208,831,693
Fuel	111,729,021	138,141,012
Oil, lubricants and chemicals	18,393,050	24,701,162
Operating supplies and consumables	9,399,676	9,192,294
	₱642,939,891	₱682,741,033

10. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories

	2019	2018
Eagle Ridge Project (General Trias, Cavite)		
- at cost (Note 33)	₱616,887,120	₱616,887,120
Campo Verde Project (Lipa and Malvar, Batangas)		
- at NRV (Note 33)	15,183,519	14,678,275
	₱632,070,639	₱631,565,395



A summary of the movements in real estate inventories is set out below:

	2019	2018
Cost		
Balances at beginning of year	₱650,499,759	₱657,978,380
Repossession of inventories	3,040,377	-
Cost of real estate sold	(3,198,806)	(7,478,621)
Balances at end of year	650,341,330	650,499,759
Allowance for Impairment Loss		
Balances at beginning of year	18,934,364	19,417,692
Recovery of impairment loss due to sale (Note 27)	(663,673)	(483,328)
Balances at end of year	18,270,691	18,934,364
	₱632,070,639	₱631,565,395

Recovery of impairment loss on sold real estate inventories previously provided with allowance for impairment amounting to ₱0.7 million, ₱0.5 million and ₱1 million in 2019, 2018 and 2017, respectively, are recognized also as part of “Other income (charges)” in the consolidated statements of income (see Note 27). Accumulated impairment losses on real estate inventories amounted to ₱18 million and ₱19 million as at December 31, 2019 and 2018, respectively.

Investments in Real Estate

	2019	2018
ALC Property (Pasong Tamo, Makati)	₱133,921,044	₱133,963,376
Batangas Project (Lipa and Malvar, Batangas)	52,787,031	52,787,031
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	₱191,394,011	₱191,436,343

A summary of the movements in investments in real estate is set out below:

	December 31, 2019		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱182,472,973	₱33,346,307	₱215,819,280
Additions	-	94,468	94,468
Balances at end of year	182,472,973	33,440,775	215,913,748
Accumulated Depreciation			
Balances at beginning of year	-	24,382,937	24,382,937
Depreciation (Note 25)	-	136,800	136,800
Balances at end of year	-	24,519,737	24,519,737
Net Book Value	₱182,472,973	₱8,921,038	₱191,394,011



	December 31, 2018		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱172,097,973	₱33,251,839	₱205,349,812
Additions	10,375,000	94,468	10,469,468
Balances at end of year	182,472,973	33,346,307	215,819,280
Accumulated Depreciation			
Balances at beginning of year	–	24,247,442	24,247,442
Depreciation (Note 25)	–	135,495	135,495
Balances at end of year	–	24,382,937	24,382,937
Net Book Value	₱182,472,973	₱8,963,370	₱191,436,343

Fair Value

The estimated fair value of the investment properties as of December 31, 2019 and 2018 amounted to ₱1,035 million and ₱934 million, respectively. This was determined by an SEC-accredited independent appraiser, using sales comparison approach, which is a comparative approach to value properties that considers the sales of similar assets or related market data and establishes a value estimate.

The significant unobservable inputs to valuation of investment properties ranges from ₱22,484 - ₱77,000 per sqm in 2019 and 2018. Significant increases (decreases) in estimated price per square meter in isolation would result in higher (lower) fair value of the properties.

Management believes that the fair value of the investment properties as at the latest valuation date is substantially the same as their fair value as at December 31, 2019 and 2018. The Company has determined that the highest and best use of these properties is its current use.

11. Investments in Associates

	Percentage of Ownership		2019	2018
	2019	2018		
At equity:				
Acquisition costs:				
Indophil Resources Philippines, Inc. (IRPI)	2.00	2.00	₱1,216,310,412	₱1,213,332,960
Aviana Development Corporation (Aviana)	34.00	34.00	963,311,802	963,311,802
RCPHI	31.24	31.24	80,851,701	80,851,701
T'boli Agro-Industrial Development, Inc.	22.32	22.32	66,193,299	66,193,299
			2,326,667,214	2,323,689,762
Accumulated equity in net earnings:				
Balances at beginning of year			32,888,825	–
Share in net earnings for the year			70,629,805	32,888,825
Dividends declared for the year			(85,000,000)	–
Balances at end of year			18,518,630	32,888,825
Accumulated impairment loss at beginning and end of the year			(147,045,000)	(147,045,000)
			₱2,198,140,844	₱2,209,533,587

IRNL and IRPI

The Parent Company purchased 29,149,000 shares of IRNL in the amount of ₱1,316 million in 2010. Together with the ownership interests of APIC and AC through a series of subscription agreements, the Alcantara Group was the largest shareholder of IRNL at 19.99%. By virtue of the Agreement for the Joint Voting of IRNL shares with APIC and AC, the Parent Company has concluded that it has significant influence over IRNL through its representation in the BOD of IRNL. Accordingly, the Parent Company treated its investment in IRNL as part of "Investments in associates" using the equity method in the 2014 consolidated financial statements. The Parent Company had determined that the acquisition cost of IRNL includes goodwill amounting to ₱785 million.



On January 23, 2015, IRNL implemented the Scheme of Arrangement between APIC and IRNL shareholders wherein APIC acquired all of the remaining outstanding shares from existing shareholders of IRNL. Accordingly, IRNL became a subsidiary of APIC starting January 2015.

In July 2015, APIC was no longer part of the Alcantara Group as it was bought by a third party. Accordingly, the Joint Voting Agreement of IRNL shares between the Parent Company, APIC and AC was deemed terminated.

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

The transfer of the Parent Company's investment in IRNL to investment in IRPI resulted in the Parent Company still exercising significant influence over IRPI due to its representation in the BOD of IRPI and representation in the BOD and Operating Committee of the operating subsidiary of IRPI. Accordingly, ACR treats its investment in IRPI as part of "Investments in associates" using the equity method in the consolidated financial statements.

On September 30, 2019, the Parent company increased its investment in IRPI amounting to ₱3 million to maintain its percentage of share over IRPI of 2% as the latter increased its authorized capital stock.

Aviana

On March 21, 2013, Aldevinco and ACIL, Inc. (collectively referred to as "AG") and Ayala Land, Inc. (Ayala Land) entered into a joint venture agreement, where Ayala Land shall own 60% and AG shall own 40% of the outstanding capital stock of Aviana to undertake the development of the Lanang property of the Parent Company in Davao City. On September 17, 2013, Aviana was incorporated as a joint venture corporation. The Parent Company subscribed to the 296 preferred shares and 32 common shares for 32.8% ownership in Aviana. In December 2015, the Parent Company subscribed to additional 332,200 preferred shares and 35,800 common shares of Aviana through the conversion of the Parent Company's advances amounting to ₱36 million. In August 2015, the Parent Company subscribed to additional 261,450 preferred shares and 29,050 common shares of Aviana for ₱22 million. The additional subscription to shares of Aviana in 2015 increased the Parent Company's interest in Aviana to 34%. Dividends receivable from Aviana amounted to ₱2 million as at December 31, 2019 (nil as at December 31, 2018).

The aggregate financial information of IRPI and Aviana as at and for the years ended December 31 are as follows:

	2019	2018
	<i>(Amounts in Thousands)</i>	
Current assets	₱4,953,555	₱2,774,390
Noncurrent assets	20,790,653	21,502,472
Current liabilities	2,433,483	1,207,623
Noncurrent liabilities	285,116	162,968
Revenue and other income	1,225,547	690,024
Net income (loss)	203,631	(1,528,031)
Total comprehensive income (loss)	203,631	(1,528,031)



Aggregate financial information of IRPI and Aviana as at December 31, 2019 and 2018 and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	IRPI		Aviana	
	2019	2018	2019	2018
<i>(In Thousands)</i>				
Current assets	₱2,447,591	₱1,501,838	₱2,505,964	₱1,272,552
Noncurrent assets	18,836,087	19,610,588	1,954,566	1,891,884
Current liabilities	(241,817)	(230,710)	(2,191,666)	(976,913)
Noncurrent liabilities	(294)	(1,752)	(284,822)	(161,216)
Equity	21,041,567	20,879,964	1,984,042	2,026,307
Equity interest of the Parent Company	2%	2%	34%	34%
Share in net assets of the acquiree	420,831	417,599	674,574	688,944
Goodwill, translation adjustments and others	795,479	795,734	307,257	307,257
Carrying value of investments	₱1,216,310	₱1,213,333	₱981,831	₱996,201

On August 15, 2017, the Parent Company sold its equity interest in Duta amounting to ₱14 million, with allowance for impairment loss amounting to ₱14 million, to Phoenix Petroleum Philippines, Inc. for a total consideration amounting to ₱48 million. The Parent Company recognized gain amounting to ₱34 million, net of transaction costs totalling to ₱8 million (see Note 27).



12. Property, Plant and Equipment

As at December 31, 2019:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Buildings and Leasehold Improvements	Machinery and Other Equipment	Construction in Progress	Right-of-use Asset - Building	Total
Cost							
Balances at December 31, 2018	₱19,183,589,380	₱4,649,048,437	₱554,953,296	₱915,937,534	₱12,425,398,524	₱-	₱37,728,927,171
Adoption of PFRS 16 (Note 3)	–	–	–	–	–	35,274,144	35,274,144
Balances at January 1, 2019	19,183,589,380	4,649,048,437	554,953,296	915,937,534	12,425,398,524	35,274,144	37,764,201,315
Additions	3,148,787	205,025	167,888	13,623,458	3,529,763,639	–	3,546,908,797
Disposals	(19,018,825)	–	–	(12,195,209)	–	–	(31,214,034)
Reclassification	11,349,345,051	2,589,847,457	18,927,446	481,438,528	(15,144,957,822)	–	(705,399,340)
Adjustment to decommissioning liability (Note 19)	160,979,727	–	–	–	–	–	160,979,727
Balances at end of year	30,678,044,120	7,239,100,919	574,048,630	1,398,804,311	810,204,341	35,274,144	40,735,476,465
Accumulated Depreciation							
Balances at beginning of year	6,391,817,513	3,672,826,153	189,100,053	337,542,200	–	–	10,591,285,919
Depreciation for the year:							
Expensed (Note 25)	878,088,209	59,423,215	134,271	122,772,125	–	11,440,263	1,071,858,083
Capitalized	–	–	–	1,139,030	–	–	1,139,030
Disposals	(15,694,274)	–	–	(10,078,353)	–	–	(25,772,627)
Balances at end of year	7,254,211,448	3,732,249,368	189,234,324	451,375,002	–	11,440,263	11,638,510,405
Net Book Value	₱23,423,832,672	₱3,506,851,551	₱384,814,306	₱947,429,309	₱810,204,341	₱23,833,881	₱29,096,966,060



As at December 31, 2018:

	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Land, Buildings and Household Improvements	Machinery and Other Equipment	Construction in Progress	Total
Cost						
Balances at beginning of year	₱19,173,981,691	₱4,647,085,159	₱552,089,119	₱726,585,794	₱7,425,077,226	₱32,524,818,989
Additions	108,746,622	1,963,278	2,864,177	191,948,043	5,000,321,298	5,305,843,418
Disposals	(72,352,062)	–	–	(2,596,303)	–	(74,948,365)
Adjustment to decommissioning liability (Note 19)	(26,786,871)	–	–	–	–	(26,786,871)
Balances at end of year	19,183,589,380	4,649,048,437	554,953,296	915,937,534	12,425,398,524	37,728,927,171
Accumulated Depreciation						
Balances at beginning of year	5,824,223,254	3,521,523,708	174,247,978	275,117,168	–	9,795,112,108
Depreciation for the year:						
Expensed (Note 25)	630,235,949	151,302,445	14,852,075	71,267,880	–	867,658,349
Capitalized	–	–	–	580,351	–	580,351
Disposals	(62,641,690)	–	–	(9,423,199)	–	(72,064,889)
Balances at end of year	6,391,817,513	3,672,826,153	189,100,053	337,542,200	–	10,591,285,919
Net Book Value	₱12,791,771,867	₱976,222,284	₱365,853,243	₱578,395,334	₱12,425,398,524	₱27,137,641,252



Construction in progress

Included in construction in progress are the capitalized costs related to the 15 MW run-of-river hydro power plant project of Siguil located at Sitio Siguil, Brgy. Tinoto, Maasim, Sarangani. The costs include project site preparation, legal fees and other direct costs attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

In June 2019, the construction of the 15 MW run-of-river hydro power plant project commenced. Total commitments representing the project costs amounted to ₱1,467 million and US\$34 million. The project is expected to be completed in July 2022.

Capitalized borrowing costs

Capitalized borrowing costs amounted to ₱805 million in 2019 and ₱658 million in 2018. The rates used to determine the amount of borrowing costs eligible for capitalization are 6.46% to 6.93% in 2019 and 7.72% to 10.37% in 2018, which are the effective interest rates of the specific borrowing.

In addition, the rate used to determine the amount of borrowing cost eligible for capitalization for Phase 2 relating to general borrowings is 6.93%, which is the weighted average capitalization rate.

13. Equity Investments Designated at FVOCI

As of December 31, this account consists of:

	2019	2018
Quoted		
Balance at beginning of year	₱136,158,830	₱131,064,253
Fair value gain (loss) during the year	(7,661,376)	12,024,309
Disposals during the year	—	(4,384,000)
Transfers of realized gain from OCI	—	(2,545,732)
Balance at end of year	128,497,454	136,158,830
Unquoted		
Balance at beginning and end of year	2,222,168,768	2,222,168,768
	₱2,350,666,222	₱2,358,327,598

The investment in unquoted securities consists of investment in 22 million preferred shares of Aldevinco. The fair value of the investment in unquoted equity securities was based on the adjusted net asset value (NAV) approach. Under the NAV approach, the fair value was derived by determining the fair value of each identifiable assets and liabilities of the investee company. Significant assumptions included in the NAV calculation are as follows:

- Net realizable value of real estate inventories which is calculated by estimated selling price less cost to sell
- Fair value adjustment for investment property based on appraised value; and
- Fair value adjustment for investment in shares of listed stock based on market closing price of listed associate as at statement of financial position date and net asset value of unlisted securities.
- Discount for lack of marketability



The movements in net unrealized losses on equity investments designated at FVOCI follows:

	2019	2018
Balance at beginning of year	₱33,841,668	₱43,320,245
Fair value loss (gain)	7,661,376	(12,024,309)
Transfer of realized gain from OCI	-	2,545,732
Balance at end of year	₱41,503,044	₱33,841,668

The fair value of investments in shares of listed companies was based on their closing prices as of December 31, 2019 and 2018.

In 2018, the Group recognized dividend income from Aldevinco amounting to ₱264 million (nil in 2019 and 2017; see Note 27).

14. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation CGUs consisting of the operations of SPPC and WMPC. As at December 31, 2019 and 2018, the carrying amount of goodwill of SPPC and WMPC amounted to ₱229 million and ₱578 million, respectively.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for both CGUs are most sensitive to the following assumptions:

Tariff rates. Tariff rates, comprising capital recovery fee, fixed and variable operation and maintenance fee, actual fuel cost and other variable energy fees, pertain to the rates used in determining the amount of energy fees to be billed to electric cooperatives and distribution utilities. The tariff rates used in the value-in-use computation are based on management's forecast, and provisionally approved PSAs and agreed Ancillary Services Procurement Agreement (ASPA) with NGCP for WMPC. For SPPC, the tariff rate is based on applied ASPA with NGCP, which is aligned with the tariff rate offered by NGCP to other power companies.

Contracted and dispatchable capacities. Contracted capacity reflects the agreed capacity with electric cooperatives and distribution utilities based on PSA and ASPA for WMPC and estimated contracted capacities based on applied ASPA for SPPC. On the other hand, dispatchable capacity reflects management's estimate of actual energy to be delivered during the contract period.

Contracted and dispatchable capacities are based on historical performance of the CGUs. The contracted and dispatchable capacities used in the value-in-use computation are shown below.

	2019		2018	
	Contracted Capacity	Dispatchable Capacity	Contracted Capacity	Dispatchable Capacity
SPPC	55%	2%	55%	2%
WMPC	50%-60%	14%	50%-60%	11%

Discount rates. Discount rates reflect management's estimate of the risks specific to the CGUs. The discount rates used for the CGUs are based on weighted average cost of capital. This rate was further adjusted to reflect the market assessment of any risk specific to the generating unit for which estimates of cash flows have not been adjusted. The pre-tax discount rates used were 13.7% and 15.71%, in 2019 and 2018, respectively, for SPPC and 19.6% and 16.66% in 2019 and 2018, for WMPC, respectively.



Sensitivity to Changes in Assumptions

Management believes that the value-in-use is most sensitive to the start of cash flow period for SPPC which is forecasted to start in 2021. A delay in the start of the cash flow would result in impairment.

15. Prepaid Expenses and Other Current Assets

	2019	2018
Deposits in interest reserve account (Note 18)	₱968,735,875	₱919,227,228
Creditable withholding taxes	242,339,158	253,747,381
Prepayments	172,220,990	64,761,955
Input VAT	4,899,455	2,834,565
	₱1,388,195,478	₱1,240,571,129

16. Accounts Payable and Other Current Liabilities

	2019	2018
Accounts payable	₱2,624,697,461	₱2,775,058,065
Accrued expenses (Note 28)	807,102,864	754,554,604
Interest payable (Note 18)	316,267,945	301,601,399
Dividends payable	144,000,000	185,000,000
Output tax and withholding tax payable	217,256,721	86,787,902
Retention payable	102,775,438	102,402,285
Contract liability (Note 6)	26,432,000	-
Advances from customers	30,508,363	35,239,313
Current portion of lease liability (Note 30)	11,008,135	-
Other current liabilities	200,601,862	417,261,277
	₱4,480,650,789	₱4,657,904,845

Accounts payable are noninterest-bearing and are normally on a 60 to 75 days term. On December 1, 2017, the Parent Company, GBPC and ATEC executed a deed of assignment of advances wherein the Parent Company assigned and transferred to GBPC its right to collect 50% of its advances to ATEC amounting to ₱1,880 million as part of consideration for the sale of the Parent Company's investment in ATEC (see Note 1). This payable to GBPC amounting to ₱1,880 million included as part of accounts payable is noninterest-bearing and payable on demand.

Accrued expenses represent accruals for vacation and sick leaves, overhead fees and utilities. Accrued expenses are normally settled within a year.

Other current liabilities include statutory payables, such as SSS, HDMF and PhilHealth premiums, and other liabilities to the government. Other current liabilities are noninterest-bearing and have an average term of 30 days.

17. Loans Payable and Short-term Notes Payable

Loans Payable

Parent Company

In 2019 and 2018, the Company availed of unsecured short-term loans from local banks totaling to ₱494 million and ₱1,071 million, respectively. These loans are subject to annual interest rates ranging from 3.50% to 6.00% per annum and are payable on various dates within one year. Upon maturity in 2019, these loans were renewed by the Company. As at December 31, 2019 and 2018, outstanding short-term loans amounted to ₱62 million and ₱115 million, respectively.



MPC

MPC availed of unsecured bank loans from Development Bank of the Philippines (DBP), Philippine National Bank and Chinabank amounting to ₱270 million and ₱40 million for the years ended December 31, 2019 and 2018, respectively. The loans bear interest rates ranging from 4.25% to 6.00%. Outstanding balance from the related bank loans amounted to ₱50 million and ₱40 million as at December 31, 2019 and 2018.

WMPC

WMPC availed of unsecured bank loans from DBP and UBP totalling to ₱310 million and ₱150 million for the years ended December 31, 2019 and 2018, respectively, with interest rates ranging from 6.85% to 7.50% and 3.875% to 4.400% per annum in 2019 and 2018, respectively. Outstanding balance from the related bank loans amounted ₱200 million as at December 31, 2018 (nil as of December 31, 2019).

SPPC

SPPC availed of unsecured bank loans from China Banking Corporation, UBP and DPB totalling to ₱100 million for the year ended December 31, 2018 and was also paid in 2018, with interest rates ranging from 2.64% to 3.875%.

Interest expense from loans payable incurred in 2019 and 2018 related to these short-term loans amounted to ₱30 million and ₱24 million, respectively (see Note 26).

Short-term Notes Payable

Parent Company

In 2018, the Parent Company initiated a ₱3 billion Commercial Paper Program with the Multinational Investment Bancorporation acting as the sole issue manager, lead arranger and underwriter of such commercial papers to be listed publicly through the Philippine Dealing & Exchange Corporation. The issuance was divided into two tranches. The first and second tranches shall amount to issuances totaling ₱1,500 million and ₱1,000 million, respectively.

In October 2018, the Company has listed a total of ₱100 million worth of commercial papers, which was part of the first tranche, with a tenor of 360 days, maturing in October 2019. These were issued at discounted amounts with net proceeds amounting to ₱94 million.

In 2019, the Company has listed a total of ₱1,880 million worth of commercial papers with a tenor of 90 to 360 days. These were issued at discounted amounts with net proceeds amounting to ₱1,806 million. Outstanding balance from the commercial papers amounted to ₱974 million and ₱95 million as at December 31, 2019 and 2018, respectively.

Sarangani

Sarangani availed of loan from local banks to be used as working capital amounting to ₱645 million and ₱1,600 million for the years ended December 31, 2019 and 2018, respectively, with nominal interest rates ranging from 5.50% to 6.25% and 4.21% to 8.25% in 2019 and 2018, respectively. Outstanding balance from the related bank loans amounted to ₱645 million as at December 31, 2019 (nil as of December 31, 2018).

Interest expense from short-term notes payable incurred in 2019 and 2018 amounted to ₱68 million and ₱25 million, respectively (see Note 26).



18. Long-term Debts

This account consists of U.S. dollar and Philippine peso-denominated obligations as follows:

	2019	2018
Parent Company		
Philippine peso-denominated debt:		
Five-year fixed rate corporate note	₱4,554,666,667	₱4,554,666,667
Seven-year fixed rate corporate note	1,469,333,333	1,488,333,333
Sarangani		
Thirteen and a half-year peso-denominated floating rate debt	7,175,780,000	7,965,750,000
Ten and a half-year peso-denominated floating rate debt	10,500,000,000	8,900,000,000
MPC		
Six-year peso-denominated fixed rate debt	-	244,080,000
	23,699,780,000	23,152,830,000
Less unamortized transaction costs	400,285,296	371,176,091
	23,299,494,704	22,781,653,909
Less current portion	5,770,565,644	1,161,893,431
Noncurrent portion	₱17,528,929,060	₱21,619,760,478

Movement in the unamortized transaction costs are as follows:

	2019	2018
Balances at beginning of year	₱371,176,091	₱292,498,053
Additions	102,595,312	153,595,341
Amortization (Note 26)	(73,486,107)	(74,917,303)
Balances at end of year	₱400,285,296	₱371,176,091

Parent Company

The loans of the Parent Company consist of the following:

- a. *Fixed Rate Corporate Notes Facility* - On November 25, 2015, ACR entered into a fixed rate corporate notes facility with various noteholders with aggregate principal amount of ₱7,500 million divided into two (2) tranches: (a) Tranche A with principal amount of ₱5,600 million, subject to fixed interest rate of 7.24% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of ₱1,900 million, subject to fixed interest rate of 7.92% and payable in annual installment of ₱19 million for the first six (6) years with balloon payment of ₱1,786 million on the 7th year from the drawdown date. Proceeds of the loan shall be used to prepay ACR's existing long-term debts and finance the investments in power-related assets. In December 2015, ACR had drawn the entire loan facility amounting to ₱7,500 million.

The notes contain embedded derivatives arising from voluntary prepayment option where ACR may opt to prepay the outstanding notes at pre-agreed redemption price starting on the beginning of the 3rd anniversary date of the drawdown for Tranche A and beginning of the 5th anniversary date of the drawdown for Tranche B. Redemption price shall mean 102% of the face value of the notes outstanding plus accrued interest. ACR may also opt to prepay the notes, in whole or in part, at pre-agreed redemption price using the proceeds of any equity offering or any sale or disposition of its shareholdings in its subsidiaries at each anniversary date of the drawdown up to



the 5th anniversary date. The embedded derivatives in the loans were assessed by ACR to be closely related to the host contract, thus were not bifurcated from the host contract. In 2018, the Company has prepaid a part of the loan amounting to ₱1,400 million. The Company incurred loss on prepayment amounting to ₱75 million (see Note 26).

ACR shall maintain certain financial ratios such as debt-to-equity ratio of not more than 2.9 and 2.61, and interest coverage ratio of not less than 1.58 and 1.95 as at December 31, 2019 and 2018, respectively. As at December 31, 2019 and 2018, ACR is in compliance with the debt covenants. Throughout the term of the loan, the interest reserve account is required to have a balance of not less than the aggregate amount of interest falling due within the next interest period which is equivalent to one-year interest period as defined in the loan agreement. As at December 31, 2019 and 2018, the remaining balance of interest reserve account amounted to ₱230 million and ₱239 million, respectively (see Note 15). Interest income earned from interest reserve account amounted to ₱15 million, ₱8 million and ₱6 million in 2019, 2018 and 2017, respectively.

Movement in the unamortized transaction costs of the long-term debts as follows:

	2019	2018
Balances at beginning of year	₱65,329,696	₱102,864,020
Amortization of transaction costs (Note 26)	(29,382,329)	(37,534,324)
Balances at end of year	<u>₱35,947,367</u>	<u>₱65,329,696</u>

Interest expense recognized in 2019 and 2018 amounted to ₱468 million and ₱316 million, respectively (see Note 26). Interest payable amounted to ₱35 million as at December 31, 2019 and 2018 (see Note 16).

As of March 19, 2020, the Group has on-going negotiation regarding refinancing and received two proposals from reputable banks (see Note 31).

Sarangani

The loans of Sarangani consist of the following:

a. *Phase 1 of SM 200 project*

On December 12, 2012, Sarangani obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱9,300 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,600 million for the construction of the Phase 1 105-MW coal-fired power plant and its common or shared areas and facilities; and (2) Series 2 Loan in the principal amount of up to ₱700 million for the construction of the transmission line. Sarangani should pay interest semi-annually at the rate equal to the higher of (a) Philippine Dealing System Treasury Fixing (PDST - F) benchmark bid yield for five-year treasury securities plus 3.5% spread per annum, or (b) 7.5% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, to be adjusted based on the higher of (a) interpolated PDST-F benchmark bid yield for eight and one-half (8- $\frac{1}{2}$)-year treasury securities plus 2.75% spread per annum, or (b) interest rate applicable on the initial borrowing.

Under the Omnibus Loan and Security Agreement (OLSA), Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes eight parcels of land registered in the name of KAED and one parcel of land registered in the name of Sarangani. The nine parcels of land have an aggregate area of 297,000 square meters and comprise the plant site of the Project. Further, chattel mortgage shall consist of machinery, office and transportation equipment with a carrying value of ₱18 million and ₱32 million as at December 31, 2019 and 2018, respectively (see Note 12).



Sarangani is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as change of business or scope of Phase 1, change of ownership or management, dividend declarations, issuance of shares, amendment of articles of incorporation and by-laws and quasi-reorganization, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. As at December 31, 2019 and 2018, Sarangani is in compliance with the loan covenants.

Sarangani shall also maintain certain financial ratios calculated using Sarangani's stand-alone financial statements such as debt-to-equity ratio of not more than 2.33 and debt service coverage ratio of at least 1.10. As at December 31, 2019 and 2018, Sarangani is in compliance with the financial ratios.

In addition to the collaterals, the shares of stock in Sarangani registered under the names of ATEC and TTC representing 100% of the outstanding capital stock of Sarangani have been pledged in favor of the collateral trustee.

Long-term debts of Sarangani as at December 31, 2019 and 2018 are shown below:

	2019		
	Series I	Series II	Total
Long-term debts	₱6,683,820,000	₱491,960,000	₱7,175,780,000
Less unamortized debt issue costs	86,923,857	7,183,211	94,107,068
	6,596,896,143	484,776,789	7,081,672,932
Less current portion of long-term debt - net of unamortized transaction costs	763,140,670	67,997,229	831,137,899
	₱5,833,755,473	₱416,779,560	₱6,250,535,033

	2018		
	Series I	Series II	Total
Long-term debts	₱7,408,830,000	₱556,920,000	₱7,965,750,000
Less unamortized debt issue costs	87,452,985	29,271,396	116,724,381
	7,321,377,015	527,648,604	7,849,025,619
Less current portion of long-term debt - net of unamortized transaction costs	704,417,553	63,300,745	767,718,298
	₱6,616,959,462	₱464,347,859	₱7,081,307,321

Interest incurred (including capitalized borrowing costs) and amortized debt issue cost after completion of Phase 1 are shown below and as disclosed in Note 26.

	2019	2018
Interest expense	₱681,304,790	₱713,228,664
Amortization of debt issue costs	22,617,313	23,611,008
	₱703,922,103	₱736,839,672

Interest payable as at December 31, 2019 and 2018 amounted to ₱122 million and ₱143 million, respectively (see Note 16).



b. *Phase 2 of SM200 project*

On April 4, 2017, Sarangani obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱10,500 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,500 million for the construction of the 105-MW coal-fired power plant; and (2) Series 2 Loan in the principal amount of up to ₱2,000 million for the construction of the transmission lines. Sarangani should pay interest semi-annually at the rate equal to the higher of (a) PDST-R2 benchmark bid yield for five-year treasury securities plus applicable spread equal to 2.75% per annum divided by 0.99 for the first three-and-a-half years, thereafter, to be adjusted to 2.25% per annum divided by 0.99, or (b) 6% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, the higher of (a) interest rate applicable on the initial borrowing, or (b) PDST-R2 benchmark bid yield for five-year treasury securities plus applicable spread on banking day prior to the first day of the 11th interest period. As at December 31, 2019 and 2018, total amount drawn from the facility amounted to ₱10,500 million and ₱8,900 million, respectively.

Under the OLSA, Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes 14 parcels of land registered the name of Sarangani with an aggregate area of 515,314 square meters and comprise the plant site of the Phase 2 and the common and administration facilities of Sarangani. Further, chattel mortgage shall consist of machinery and transportation equipment with a carrying value of ₱22 million and ₱30 million as at December 31, 2019 and 2018, respectively (see Note 12).

In addition to the collaterals, the shares of stock in Sarangani registered under the names of ATEC and TTC representing 100% of the outstanding capital stock of Sarangani have been pledged in favor of the collateral trustee.

Sarangani is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as change of business or scope of Phase 2, change of ownership or management, dividend declarations, issuance of shares, amendment of articles of incorporation and by-laws and quasi-reorganization, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. As at December 31, 2019 and 2018, Sarangani is in compliance with the loan covenants.

Sarangani shall also maintain certain financial ratios calculated using Sarangani's stand-alone financial statements such as debt-to-equity ratio of not more than 2.33 and debt service coverage ratio of at least 1.10. As at December 31, 2019 and 2018, Sarangani was able to meet the required financial ratios.

The OLSA contains an embedded prepayment option where Sarangani may prepay the loan in whole or in part provided certain conditions are met. Sarangani assessed that the prepayment option is not required to be separated from the host contract.



Details of the Group's long-term debts related to Phase 2 of the project are as follows:

As at December 31, 2019:

	Series I	Series II	Total
Long-term debts	₱8,500,000,000	₱2,000,000,000	₱10,500,000,000
Less unamortized debt issue costs	230,949,643	39,281,218	270,230,861
	8,269,050,357	1,960,718,782	10,229,769,139
Less current portion of long-term debt - net of unamortized transaction costs	316,417,939	77,176,056	393,593,995
	₱7,952,632,418	₱1,883,542,726	₱9,836,175,144

As at December 31, 2018:

	Series I	Series II	Total
Long-term debts	₱6,900,000,000	₱2,000,000,000	₱8,900,000,000
Less unamortized debt issue costs	148,002,376	40,583,048	188,585,424
	6,751,997,624	1,959,416,952	8,711,414,576
Less current portion of long-term debt - net of unamortized transaction costs	102,302,879	29,328,844	131,631,723
	₱6,649,694,745	₱1,930,088,108	₱8,579,782,853

Interest incurred (including capitalized borrowing costs) and amortization of debt issue costs that were incurred during the construction of Phase 2 were capitalized as part of "Construction in progress" under "Property, plant and equipment" account (see Note 12).

Interest incurred and amortized debt issue cost during construction of Phase 2 are as follows:

	2019	2018
Interest expense	₱747,643,251	₱419,322,567
Amortization of debt issue costs	21,486,465	10,978,657
	₱769,129,716	₱430,301,224

Accrued interest as at December 31, 2019 and 2018 amounted to ₱157 million and ₱117 million, respectively (see Note 16).

Interest expense recognized in 2019 and 2018 amounted to ₱426 million and ₱657 million, respectively (see Note 26).

The loan agreement requires Sarangani to maintain debt service reserve account. As at December 31, 2019 and 2018, the balance of debt service reserve account amounted to ₱738 million and ₱680 million, respectively (see Note 15). Throughout the term of the loan, the debt service reserve account is required to have a balance of not less than the required debt service reserve account balance as determined by the facility agent plus the sum of the principal and interest payments on the loan falling due on the next principal repayment or interest payment date.



The deferred financing costs pertain to the documentary stamp taxes, mortgage fees, legal and other fees (debt issue costs) incurred by the Company in relation to the Omnibus Loan and Security Agreement (OLSA) dated April 4, 2017. Upon drawdown from the loan facility covered by the OLSA, a portion of the debt issue costs shall be allocated to, and deducted from, the principal drawn amount to determine the carrying value of the loan. The debt issue costs allocated to the undrawn facility is presented as "Deferred financing costs" in the consolidated statement of financial position. The allocation shall be based on the amount of the principal drawn over the total facility. Debt issue costs allocated to drawn facility in 2019 and 2018 amounted to ₱91 million and ₱152 million, respectively, and were presented against long-term debts. As at December 31, 2018, the unutilized deferred financing cost of Sarangani amounted to ₱40 million (nil as at December 31, 2019).

Deferred financing costs as at December 31, 2019 and 2018 are shown below:

	2019	2018
Balance at beginning of year	₱39,796,992	₱157,956,627
Additions	63,334,910	34,274,844
	103,131,902	192,231,471
Less amount allocated to drawn facility	(103,131,902)	(152,434,479)
Balance at end of year	₱-	₱39,796,992

MPC

On July 15, 2013, MPC entered into a fixed interest rate long-term OLSA amounting to ₱900 million from a local bank. The loan is payable in 11 semi-annual principal amortizations beginning immediately at the end of the first year from loan drawdown, August 16, 2014, up to August 16, 2019. Interest is computed as the sum of the spread and the applicable benchmark rate, based on outstanding facility amount, and calculated on the basis of the actual number of days elapsed in a year of 360 days. The fixed rate shall be subject to a floor rate of 6.25% per annum, excluding gross receipt tax. The interest is payable every six months reckoned from August 16, 2013, the initial drawdown date. On August 16, 2013, MPC made the first drawdown on the loan amounting to ₱800 million. The outstanding loan balance of ₱244 million as of December 31, 2018 was fully paid in 2019.

MPC is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as dividend declarations, amendment of articles of incorporation and by-laws, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. MPC is also required to maintain certain financial and nonfinancial ratios. As at December 31, 2018, MPC was unable to meet the required debt service coverage ratio and certain nonfinancial ratios. Although MPC was not able to meet the required certain financial and nonfinancial ratios as at December 31, 2018, management was able to settle its full outstanding balance on February 14, 2019.

The OLSA contains an embedded prepayment option where MPC may prepay the loan in whole or in part provided certain conditions are met. MPC assessed that the prepayment option is not required to be separated from the host contract.

The OLSA is also subject to a floor cap interest rate wherein interest payment will be at the rate equal to the higher of (a) minimum interest rate of 6.25% per annum or (b) a PDST-F benchmark bid yield for six (6) year treasury securities plus 2.25% spread per annum. Through interpolation, MPC assessed that the floor cap interest rate option is not required to be separated from the debt contract



since it is clearly and closely related to the economic characteristics of the related debt contract. Interest payments are computed using benchmark interest rates in 2019 and 2018.

Under the terms of the OLSA, MPC shall provide collateral security which shall consist of mortgage on the MPC's land and CHC's IDPPs I and II. As at December 31, 2019 and 2018, the carrying amount of MPC's land mortgaged as collateral amounted to ₦62 million.

Interest expense related to long-term debt charged to operations, excluding amortization of transaction costs, amounted to ₦22 million in 2018 (nil in 2019) [see Note 26]. Interest payable on this long-term debt amounted to ₦6 million as at December 31, 2018 (nil as at December 31, 2019). [see Note 16].

Amortization of transaction costs amounted to ₦2 million in 2018 (nil in 2019) [see Note 26].

19. Decommissioning Liability

Under their ECC, SPPC, WMPC and Sarangani have an obligation to decommission or dismantle its power plant complex at the end of the useful lives of the power plant assets. In this regard, SPPC, WMPC and Sarangani established a provision to recognize their estimated liability for the dismantlement of their power plant complex.

Movements in decommissioning liability are as follows:

	2019	2018
Balances at beginning of year	₦199,409,217	₦205,731,535
Accretion (Note 26)	14,526,671	13,521,814
Effects of changes in estimated future		
decommissioning costs and discount rate:		
Recognized in the consolidated		
statement of income	-	6,942,739
Recognized as adjustment to property, plant		
and equipment (Note 12)	160,979,727	(26,786,871)
Balances at end of year	₦374,915,615	₦199,409,217

The actual decommissioning cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment and/or actual time required in completing all decommissioning or dismantling activities.

The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current statement of financial position date. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted using the discount rates ranging 5.17% to 5.22% and 7.51% at December 31, 2019 and 2018, respectively. The Group assesses the best estimate of cash flows required to settle the obligation annually every end of the year.

20. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include (a) enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Group; (b) associates; and (c) individuals



owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

All related party transactions shall be disclosed to the Group's Audit Committee ("the Committee") of the BOD and all transactions will be reviewed and approved by the Committee to ensure that a conflict of interest does not exist, a proper assessment of such transaction is made, and all necessary information is properly documented. Material related party transaction shall mean any individual related party transaction, or series of related party transactions over twelve (12) months, and with the same related party, amounting to, or exceeding, individually, or in the aggregate, the materiality threshold. Materiality threshold shall mean ten percent (10%) of the total assets of any of the parties to a transaction, based on that party's latest audited financial statements, and if the transaction is a material related party transaction, and one of the related parties is a parent of the other, the total assets shall pertain to the parent's total consolidated assets.

Transactions with related parties pertain mainly to cash advances and reimbursements of expenses.

Outstanding related party balances are generally settled in cash.

The table below shows the details of the Group's transactions with related parties.

Related Party		Advances	Due from Related Parties (Note 8)	Terms	Conditions
Major stockholders	2019	₱213,682,148	₱1,188,665,441	Payable upon demand, noninterest- bearing	Unsecured, no impairment
	2018	₱62,941,349	₱1,011,520,388		
Subsidiaries of major stockholders	2019	93,797,324	140,471,962	Payable upon demand, noninterest- bearing	Unsecured, no impairment
	2018	4,003,487	47,258,947		
Affiliates	2019	12,781,762	70,606,162	Payable upon demand, noninterest- bearing	Unsecured, no impairment
	2018	45,679,259	57,824,400		
Total	2019	₱320,261,234	₱1,399,743,565		
	2018	₱112,624,095	₱1,116,603,735		

The Parent Company guarantees the obligations of SPPC and WMPC with NPC under the Operational Performance Bonds in accordance with the terms and conditions of the ECAs and to answer for the liabilities that SPPC and WMPC may incur in connection with the said Performance Bonds.

Compensation of key management personnel amounted to ₱89 million, ₱91 million and ₱79 million in 2019, 2018 and 2017, respectively, representing short-term employee benefits.



21. Equity

Capital Stock

	2019		2018	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Common - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000
Common				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
Preferred				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(10,816,667)		(15,216,667)
		₱6,335,683,333		₱6,331,283,333

On May 24, 2011, the Philippine SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.00 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

- a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.
- b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares. There were no dividend in arrears for 2019 and 2018.
- c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.
- d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

On February 4, 2013, AC subscribed to 5,500,000,000 preferred shares with par value of ₱0.01 per share, from the unissued authorized preferred shares of the Parent Company. On the same date, AC paid ₱14 million representing 25% of the subscription price of ₱55 million. As at December 31, 2019 and 2018, subscriptions receivable from AC amounted to ₱10 million and ₱15 million, net of the 8% dividends declared for preferred shares in 2019 and 2018, respectively.



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

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

Retained Earnings

The BOD approved the appropriation of its retained earnings for its equity contributions to the following projects:

As of December 31, 2019:

Project Name	Nature/Project Description	Amount (in millions)	Timeline (Year)
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	₱600	2022
Sigui	Hydro-electric power in Maasim, Sarangani	370	2022
Bago	Hydro-electric power in Negros Occidental	130	2024
			₱1,100

As of December 31, 2018:

Project Name	Nature/Project Description	Amount (in millions)	Timeline (Year)
SM200 1 & 2*	Phase 1 of the 200 MW coal-fired power plant in Maasim, Sarangani	₱800	2015
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	300	2016
Sigui	Hydro-electric power in Maasim, Sarangani	70	2017
Bago	Hydro-electric power in Negros Occidental	30	2019
SMI400	400 MW coal-fired power facility for future power requirements of the Tampakan copper-gold mine in South Cotabato	100	2019
			₱1,300

*Completion of Phase 2 has been extended to 2019.

The Company declared the following cash dividends on its common shares:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2019	May 30, 2019	₱125,830,000	₱0.020	June 30, 2019	July 24, 2019
2018	May 24, 2018	226,494,000	0.036	June 30, 2018	July 25, 2018
2017	May 25, 2017	100,664,000	0.016	June 30, 2017	July 25, 2017

Dividends on preferred shares amounting to ₱4.4 million for years 2019, 2018 and 2017 were applied against the Company's subscriptions receivable from AC (see Note 35).

Equity Reserves

Acquisition of non-controlling interest

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in voting shares of CHC, increasing its ownership to 100%. Cash consideration paid on August 1, 2013 amounted to ₱528 million (US\$12.16 million). The carrying value of the net assets of CHC was ₱2,456 million (US\$38.97 million).



Following is the schedule of additional interest acquired in CHC in 2013:

Carrying value of the additional interest in CHC	₱982,232,166
<u>Cash consideration paid to non-controlling interest</u>	(527,910,397)
Excess of book value of non-controlling interest acquired	
over acquisition cost	₱454,321,769

The excess of book value of non-controlling interest acquired over acquisition cost was recognized in equity as follows:

Absorbed cumulative translation adjustment from acquired non-controlling interest	₱308,841,072
<u>Included as part of other equity reserves</u>	145,480,697
	₱454,321,769

Disposal of interest in a subsidiary without loss of control

On November 27, 2017, the Parent Company sold its 50% ownership interest less 1 share of the voting and total outstanding capital stock ownership interest in ATEC equivalent to 14,952,678 common shares to GBPC for a total consideration amounting to ₱2,378 million, inclusive of retention receivable to be received upon issuance by BIR of the Certificate Authorizing Registration (see Note 8). The excess of the total consideration over the carrying value of the sold interest in ATEC amounting to ₱709 million (net of transaction cost) was recognized as part of equity reserves.

Basic/diluted earnings (loss) per share

Earnings (loss) per share attributable to equity holders of the Parent Company is computed as follows:

	2019	2018	2017
Net income (loss) attributable to equity holders of the parent	₱143,110,733	₱89,100,832	(₱25,433,147)
Average number of shares outstanding for the year	6,291,500,000	6,291,500,000	6,291,500,000
<u>Basic/diluted earnings (loss) per share</u>	<u>₱0.023</u>	<u>₱0.014</u>	<u>(₱0.004)</u>

*net of ₱4.4 million dividends on preferred shares

22. Cost of Services

The Group's cost of services are as follows:

	2019	2018	2017
Coal, fuel, oil and lubricants	₱2,490,010,567	₱3,108,956,357	₱3,134,962,268
Depreciation and amortization (Notes 12 and 25)	1,005,873,416	816,573,811	819,444,633
Repairs and maintenance	287,935,819	348,936,579	256,573,959
Personnel costs (Notes 24 and 28)	166,659,153	148,584,120	140,994,972
Insurance expense	104,923,244	107,040,051	126,500,269
Utilities	46,929,800	12,113,058	4,428,770
Contracted services	35,734,560	4,535,345	3,865,806
Taxes and licenses	1,178,104	1,192,365	1,182,518
Property administration	285,621	2,083,611	1,921,042
Others	97,434,906	122,761,292	83,777,540
	₱4,236,965,190	₱4,672,776,589	₱4,573,651,777



23. General and Administrative Expenses

The Group's general and administrative expenses are as follows:

	2019	2018	2017
Personnel costs (Notes 24 and 28)	₱213,161,127	₱187,408,697	₱169,603,937
Outside services	71,456,162	57,079,097	61,295,823
Depreciation and amortization (Notes 12 and 25)	70,960,864	55,373,203	62,089,299
Taxes and licenses	59,629,323	56,082,162	61,368,057
Marketing expense	42,596,992	33,576,608	11,152,070
Transportation and travel	25,567,750	23,381,873	19,512,535
Utilities	15,722,075	14,915,093	19,460,181
Directors and executive fees and bonuses	5,331,445	5,258,889	3,915,000
Customer relations	4,778,474	7,747,011	4,552,018
Supplies	4,114,859	1,662,900	2,118,594
Telephone, telegraph and postage	4,108,967	5,589,509	6,326,510
Representation	1,576,682	3,875,875	4,291,787
Insurance	956,697	1,074,151	1,375,056
Commissions (Note 33)	185,000	221,052	648,539
Others	77,744,982	33,888,133	134,401,838
	₱597,891,399	₱487,134,253	₱562,111,244

Others include costs of freight and brokerage fees, professional license upgrading, reproduction, supplies and other administrative expenses of the Group which are not individually material.

24. Personnel Costs

The Group's personnel costs are as follows:

	2019	2018	2017
Cost of services (Note 22)	₱166,659,153	₱148,584,120	₱140,994,972
General and administrative expenses (Note 23)	213,161,127	187,408,697	169,603,937
	₱379,820,280	₱335,992,817	₱310,598,909

	2019	2018	2017
Salaries, wages and bonuses	₱312,993,194	₱269,899,195	₱261,690,360
Retirement benefits costs (Note 28)	15,524,596	14,735,101	13,000,707
Other employee benefits	51,302,490	51,358,521	35,907,842
	₱379,820,280	₱335,992,817	₱310,598,909

25. Depreciation and Amortization

	2019	2018	2017
Cost of services (Note 22)	₱1,005,873,416	₱816,573,811	₱819,444,633
General and administrative expenses (Note 23)	70,960,864	55,373,203	62,089,299
	₱1,076,834,280	₱871,947,014	₱881,533,932



	2019	2018	2017
Property, plant and equipment (Note 12)	₱1,071,858,083	₱867,658,349	₱873,795,125
Amortization of software costs	4,839,396	4,153,170	7,545,328
Investments in real estate (Note 10)	136,800	135,495	193,479
	₱1,076,834,279	₱871,947,014	₱881,533,932

26. Finance Charges

	2019	2018	2017
Interest on long-term debts, loans payable and short-term notes payable (Notes 17 and 18)	₱991,946,957	₱1,022,278,057	₱1,130,424,317
Amortization of transaction costs and debt issue costs (Note 18)	73,486,107	74,917,303	59,492,437
Interest on decommissioning liability (Note 19)	14,526,671	13,521,814	10,378,761
Loss on prepayment of long-term debts (Note 18)	—	75,175,498	—
Others	1,053,997	—	—
	₱1,081,013,732	₱1,185,892,672	₱1,200,295,515

27. Other Income (Charges)

	2019	2018	2017
Foreign exchange gain (loss) - net	(₱42,545,740)	₱20,400,818	(₱5,529,475)
Dispatch discharge	8,690,038	—	—
Reversal of accrual for compensated absences	4,665,169	—	110,001
Gain on sale of property, plant and equipment and investment in real estate	1,168,423	866,268	1,829,595
Recovery of impairment losses on real estate inventories due to sale (Note 10)	663,673	483,328	1,172,249
Dividend income (Note 13)	—	264,000,000	—
Gain on sale of investment (Note 11)	—	—	34,339,109
Recovery of impairment loss on investment due to sale (Note 11)	—	—	13,725,000
Quitclaim settlement	—	—	12,908,826
Input VAT income	—	—	994,461
Others	2,697,575	8,089,122	10,603,182
	(₱24,660,862)	₱293,839,536	₱70,152,948

In 2017, WMPC received final settlement from Power Sector Assets and Liabilities Management Corporation (PSALM) totaling to ₱13 million in relation to its ECA with NPC which ended on December 15, 2015.

Others pertain significantly to sales of sludge and reversal of provisions.



28. Employee Benefits

a. Retirement Benefits

The Parent Company, ALC, MPC and Sarangani have unfunded, noncontributory defined benefit retirement plans while SPPC, WMPC, and APMC have funded, noncontributory defined benefit retirement plans covering all their qualified employees. Retirement benefits are dependent on the years of service and the respective employee's compensation. The Group's latest actuarial valuation report is as at December 31, 2019.

Under the existing regulatory framework, Republic Act. 7641, otherwise known as the *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

SPPC, WMPC and APMC

The tables in the next page summarize the movements in net retirement assets of SPPC, WMPC and APMC.

As at December 31, 2019:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Assets
At January 1, 2019	₱71,774,395	₱89,336,864	(₱17,562,469)
Retirement benefits cost recognized in profit or loss:			
Current service cost	5,284,205	—	5,284,205
Net interest income	5,042,998	6,300,893	(1,257,895)
	10,327,203	6,300,893	4,026,310
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	—	2,142,213	(2,142,213)
Arising from changes in financial assumptions	6,123,348	—	6,123,348
Due to experience adjustments	8,473,149	—	8,473,149
	14,596,497	2,142,213	12,454,284
Contributions paid	—	4,774,688	(4,774,688)
At December 31, 2019	₱96,698,095	₱102,554,658	(₱5,856,563)

As at December 31, 2018:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Assets
At January 1, 2018	₱77,280,028	₱100,798,951	(₱23,518,923)
Retirement benefits cost recognized in profit or loss:			
Current service cost	7,188,957	—	7,188,957
Net interest income	3,732,805	5,294,553	(1,561,748)
	10,921,762	5,294,553	5,627,209
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	—	(8,809,553)	8,809,553
Arising from changes in financial assumptions	(1,368,345)	—	(1,368,345)
Due to experience adjustments	(7,111,963)	—	(7,111,963)
	(8,480,308)	(8,809,553)	329,245
Benefits paid	(7,947,087)	(7,947,087)	—
At December 31, 2018	₱71,774,395	₱89,336,864	(₱17,562,469)



The Group Plan is being maintained by Banco de Oro Unibank, Inc. - Trust and Investments Group (BDO - TIG), a trustee bank.

The carrying amounts and fair values of the plan assets of the Group Plan follows:

	2019	2018
Cash and cash equivalents	0.00%	5.46%
Investments in unit investment trust fund (UITF)	8.64%	58.66%
Investments in shares of stock	68.50%	2.61%
Investments in debt and other securities	19.76%	16.88%
Investments in government securities	2.35%	14.93%
Others	0.75%	1.46%
	100.00%	100.00%

The plan assets of the Group Plan consist of the following:

- Cash and cash equivalents include regular deposit and time deposits which bear interest ranging from 1.75% to 2.00%;
- Investments in UITF are ready-made investments that allow the pooling of funds that are managed by BDO - TIG;
- Investments in shares of stock consist of quoted equity securities;
- Investments in debt and other securities, consisting of both short-term and long-term corporate notes and bonds, bear interest ranging from 4.38% to 8.46% and have maturities from 2014 to 2024;
- Investments in government securities, consisting of fixed rate treasury notes and retail treasury bonds bear interest ranging from 2.84% to 8.13% and have maturities from 2014 to 2037; and
- Other financial assets held by the Group Plan consist primarily of interest and dividends receivable.

ACR, ALC, MPC and Sarangani

The following tables summarize the movements in retirement benefits liabilities of the Parent Company, ALC, MPC and Sarangani:

	2019	2018
Balances at beginning of year	₱35,063,842	₱28,258,142
Retirement benefits cost charged in profit or loss:		
Current service cost	8,789,156	7,469,761
Interest cost	2,567,065	1,637,731
	11,356,221	9,107,492
Remeasurements losses (gains) recognized in OCI arising from:		
Changes in financial assumptions	17,926,055	(4,198,169)
Experience adjustments	(2,824,676)	2,230,698
Changes in demographic assumptions	668,195	-
	15,769,574	(1,967,471)
Benefits paid	-	(334,321)
Balances at end of year	₱62,189,637	₱35,063,842



The net retirement assets and liabilities in the consolidated statements of financial position are as follows:

	Net retirement assets		Retirement benefits liabilities	
	2019	2018	2019	2018
Funded	₱18,271,750	₱20,450,756	₱12,415,187	₱2,888,287
Unfunded	—	—	62,189,637	35,063,842
Total	₱18,271,750	₱20,450,756	₱74,604,824	₱37,952,129

Actuarial Assumptions

The principal assumptions used in determining retirement benefits obligation as at December 31 are as follows:

SPPC, WMPC and APMC:

	2019	2018
Discount rates	4.24%-4.96%	5.71%-6.97%
Future salary increases	5%	4-5%

ACR, ALC, MPC, APSC and Sarangani:

	2019	2018
Discount rates	4.96%-5.20%	5.71%-7.36%
Future salary increases	5%-10%	4%-10%

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The sensitivity analysis shown below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations, assuming all other assumptions were held constant.

As at December 31, 2019:

	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱1,575,442)	+0.5%	(₱5,119,611)
	-0.5%	1,715,466	-0.5%	5,899,116
Salary increase rates	+1.0%	3,361,300	+1.0%	10,479,170
	-1.0%	(2,806,287)	-1.0%	(8,468,030)

As at December 31, 2018:

	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱967,894)	+0.5%	(₱1,445,304)
	-0.5%	1,048,068	-0.5%	1,619,533
Salary increase rates	+1.0%	2,106,079	+1.0%	3,390,359
	-1.0%	(1,827,787)	-1.0%	(2,747,012)



Shown below is the maturity analysis of the undiscounted benefit payments:

	2019	2018
Less than 1 year	₱87,294,786	₱67,432,245
More than 1 year to 5 years	15,141,151	16,774,464
More than 5 years to 10 years	67,947,267	45,095,128
More than 10 years to 15 years	59,796,725	58,970,176
More than 15 years to 20 years	133,250,496	106,980,922
More than 20 years	1,236,492,790	1,231,065,772

b. Compensated Absences

All regular employees of CHC and its subsidiaries and Sarangani who have completed 12 months of continuous service are entitled to leave credits. Leave credits granted to each employee vary based on the employee's tenure and can be accumulated up to 60 days. Cost for vested leave credits are dependent on the mortality rate, disability rate, employee turnover rate, salary increase rate, discount rate, utilization rate and respective employee's compensation and leave credits.

Movements in the accrued leave credits (recognized under "Accrued expenses" account in "Accounts payable and other current liabilities") are as follows:

	2019	2018
Balances at beginning of year	₱13,537,097	₱11,768,307
Current service cost	13,629,566	3,450,334
Benefits paid	(7,405,858)	(1,681,544)
Balances at end of year	₱19,760,805	₱13,537,097

29. Income Taxes

a. Provision for current income tax consists of:

	2019	2018	2017
RCIT	₱210,563,944	₱86,299,878	₱143,228,838
MCIT	1,384,863	286,334	322,175
Total	₱211,948,807	₱86,586,212	₱143,551,013

b. Following is the reconciliation between the statutory tax rate on income before income tax and the effective tax rates:

	2019	2018	2017
Statutory income tax rate	30.0%	30.0%	30.0%
Increase (decrease) in income tax rate resulting from:			
Unrecognized deferred income tax assets	18.0%	23.0%	53.0%
Translation adjustments, effect of change in tax rate, income of certain subsidiaries enjoying tax holidays and others - net	(41.6%)	(33.0%)	(19.8%)
Effective income tax rate	6.4%	20.0%	63.2%



c. Deferred income tax assets (liabilities) pertain to the income tax effects of the following:

	2019	2018	
	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities	Net Deferred Income Tax Assets
Deferred Income Tax Assets			
NOLCO	₱—	₱30,800,025	₱—
Decommissioning liability	28,762,188	27,852,418	—
Unrealized intercompany transactions	30,994,356	—	28,762,188
Lease liability	—	7,499,844	—
Allowance for impairment loss	1,518,887	4,666,342	1,518,887
Impairment losses on projects costs	4,274,186	—	4,274,186
Actuarial loss recognized in equity	4,129,064	—	2,418,280
Accrued vacation and sick leaves	3,777,339	1,491,654	3,197,201
Net retirement plan assets	2,996,277	570,532	—
Unamortized past service cost	2,219,448	—	3,222,574
Unrealized foreign exchange losses	88,688	81,743	—
	78,760,433	72,962,558	43,393,316
			38,310,081
Deferred Income Tax Liabilities			
Capitalized interest	—	(434,812,257)	—
Fair value adjustment on real estate inventories, net of impairment	—	(147,368,957)	—
Difference between financial and tax depreciation	—	(81,122,190)	—
Contract assets	—	(59,109,837)	—
Effect of change in functional currency	(1,880,849)	(37,624,860)	—
Difference between tax and financial amortization of transaction costs	—	(10,784,210)	—
Right-of-use asset	—	(7,150,164)	—
Actuarial gains recognized in equity	(472,178)	(4,200,647)	—
Capitalized decommissioning asset	—	(2,000,584)	—
Unrealized foreign exchange gains	—	(177,030)	—
Equity in undistributed net earnings of a foreign subsidiary	(600,167)	—	(28,188,462)
Retirement plan assets	—	—	(4,951,246)
	(2,953,194)	(784,350,736)	—
			(887,505,490)
	₱75,807,239	(₱711,388,178)	₱43,393,316
			(₱849,195,409)

d. The following are the Group's deductible temporary differences and carryforward benefits of NOLCO and excess MCIT for which no deferred income tax assets are recognized in the consolidated financial statements because management believes that it is not probable that taxable income will be available against which the deferred income tax assets can be utilized:

	2019	2018
NOLCO	₱1,953,694,739	₱1,835,403,219
Impairment losses on property, plant and equipment	149,244,117	149,244,117
Allowance for doubtful accounts	31,730,458	44,893,549
Unrealized foreign exchange losses	11,263,399	9,331,949
Excess MCIT	5,060,024	3,915,731
Others	10,847,494	8,698,960



Movements of NOLCO and excess MCIT follow:

	2019		2018	
	NOLCO	Excess MCIT	NOLCO	Excess MCIT
Balances at beginning of year	₱1,847,017,856	₱3,915,731	₱2,099,196,484	₱3,643,790
Additions	711,264,655	4,371,318	693,160,180	286,334
Utilization and expiration	(501,921,022)	(3,227,025)	(945,338,808)	(14,393)
Balances at end of year	₱2,056,361,489	₱5,060,024	₱1,847,017,856	₱3,915,731

As at December 31, 2019, NOLCO and excess MCIT that can be claimed as deduction from taxable income and RCIT due, respectively, are as follows:

Years Incurred	Expiry Dates	NOLCO	Excess MCIT
2017	2020	₱712,015,455	₱402,372
2018	2021	633,081,379	286,334
2019	2022	711,264,655	4,371,318
		₱2,056,361,489	₱5,060,024

30. Lease Commitments

Long-term Lease

On December 1, 2011, the Group entered into a 5 year lease agreement with Alphaland Development Inc. commencing on February 1, 2012 up to January 31, 2017 for office space. Upon expiration, the lease was renewed for another five years.

Set out below, are the amounts recognized in the consolidated statements of income:

	2019	2018	2017
Depreciation expense of right-of-use assets	₱11,440,263	₱-	₱-
Interest expense on lease liability	2,418,712	-	-
Included under "General and administrative expenses" (Note 23):			
Rent expense - short-term leases	1,877,508	-	-
Rent expense - PAS 17	-	3,382,420	5,169,041
	₱15,736,483	₱3,382,420	₱5,169,041

Total cash outflow for leases amounted to ₱15 million in 2019.

Recoverable deposits related to the lease agreement amounted to ₱4.16 million and ₱3.95 million as of December 31, 2019 and 2018, respectively.



Set out below, is the rollforward analysis of lease liabilities during the year ended December 31, 2019:

As at January 1, 2019, as previously reported	₱—
<u>Effect of adoption of PFRS 16 (Note 2)</u>	<u>35,274,144</u>
At January 1, 2019, as restated	35,274,144
Non-cash changes:	
Interest expense	2,418,712
Payments of:	
Principal portion	(10,274,664)
Interest	(2,418,712)
	24,999,480
<u>Less current portion</u>	<u>11,008,135</u>
<u>Noncurrent portion</u>	<u>₱13,991,345</u>

Shown below is the maturity analysis of the undiscounted lease payments for the year ended December 31, 2019:

Within one year	₱12,762,956
More than 1 years to 2 years	13,581,912
More than 2 years to 3 years	1,138,030

Operating Lease Receipts

The Group entered into various operating lease contracts with various third-party lessees. The lease term is one year renewable annually. Total rental income from these lease agreements amounted to ₱10 million, ₱12 million and ₱12 million in 2019, 2018 and 2017, respectively.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, short-term cash investments, equity investments designated at FVOCI, loans payable and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and accounts payable and other current liabilities which arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk (interest rate risk, equity price risk and foreign currency risk).

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

Credit Risk

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

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



In the Group's power generation business, it is the policy of the Group to ensure that all terms specified in the PSAs with its customers, including the credit terms of the billings, are complied with.

The table below shows the gross maximum exposure to credit risk of the Group as at December 31, before considering the effects of collaterals, credit enhancements and other credit risk mitigation techniques.

	2019	2018
Cash and cash equivalents*	₱2,814,178,139	₱3,474,206,341
Short-term cash investments	181,632,086	262,952,916
Trade and other receivables		
Trade receivables		
Power	1,578,133,517	1,325,587,506
Real estate**	69,154,468	81,758,990
Due from related parties	1,399,743,565	1,116,603,735
Contract assets	1,182,196,755	1,080,416,000
Retention receivables	24,455,481	44,455,481
Other receivables***	38,320,708	43,601,492
<u>Deposits in interest reserve account</u>	<u>968,735,875</u>	<u>919,227,228</u>
	₱8,256,550,594	₱8,348,809,689

*Excludes cash on hand amounting to ₱0.4 million as at December 31, 2019 and 2018.

**Includes noncurrent portion of installment receivables amounting to ₱2.0 million and ₱4.0 million as at December 31, 2019 and 2018, respectively.

***Excludes advances for business expenses and advances to employees totaling to ₱21.8 million and ₱41.8 million as at December 31, 2019 and 2018, respectively.

Trade receivables and contract assets

The Group's trade receivables and contract assets are monitored on a regular basis. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of the customer with loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For trade receivables from real estate sales, expected credit loss is computed using vintage analysis.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, trade and other receivables from customers and contract assets are written-off when deemed unrecoverable and are not subject to enforcement activity. The maximum credit exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Due from related parties

The Group considers its due from related parties as high grade due to assured collectability through information from the related parties' sources of funding.

Other financial assets

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty limits are reviewed and approved by the BOD, and are updated when necessary.



The Group does not hold any collateral from its customers; thus, the carrying amounts of cash and cash equivalents and refundable deposits approximate the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Cash and cash equivalents, short-term cash investments and deposits in interest rate reserve accounts are placed in various banks. Material amounts are held by banks which belong to top five (5) banks in the country. The rest are held by local banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments.

The following tables below summarize the credit quality of the Group's financial assets (gross of allowance for impairment losses) as at December 31:

	2019						
	Minimal Risk	Current	Average Risk	High Risk	Past Due (1-90 Days)	Credit Impaired	Total
Cash and cash equivalents*	₱2,814,178,139	₱-	₱-	₱-	₱-	₱-	₱2,814,178,139
Short-term cash investments	181,632,086	-	-	-	-	-	181,632,086
Trade and other receivables							
Trade receivables							
Power	1,578,133,517	-	-	-	-	33,467,626	1,611,601,143
Real estate	13,675,823	-	-	-	55,478,645	13,163,091	82,317,559
Product distribution and others	-	-	-	-	-	31,730,458	31,730,458
Due from related parties	1,399,743,565	-	-	-	-	-	1,399,743,565
Contract asset	1,182,196,755	-	-	-	-	-	1,182,196,755
Retention receivables	24,455,481	-	-	-	-	-	24,455,481
Other receivables**	38,320,708	-	-	-	-	5,074,645	43,395,353
Deposits in interest reserve account	968,735,875	-	-	-	-	-	968,735,875
	₱8,201,071,949	₱-	₱-	₱-	₱55,478,645	₱83,435,820	₱8,339,986,414

*Excludes cash on hand amounting to ₱0.4 million as at December 31, 2019.

**Excludes advances for business expenses and advances to employees totaling to ₱21.8 million as at December 31, 2019.

	2018						
	Minimal Risk	Current	Average Risk	High Risk	Past Due (1-90 Days)	Credit Impaired	Total
Cash and cash equivalents*	₱3,474,206,341	₱-	₱-	₱-	₱-	₱-	₱3,474,206,341
Short-term cash investments	262,952,916	-	-	-	-	-	262,952,916
Trade and other receivables							
Trade receivables							
Power	655,756,453	-	-	-	669,831,053	33,467,626	1,359,055,132
Real estate**	15,502,426	-	-	-	66,256,564	13,163,091	94,922,081
Product distribution and others	-	-	-	-	-	31,730,458	31,730,458
Due from related parties	1,116,603,735	-	-	-	-	-	1,116,603,735
Contract asset	1,080,416,000	-	-	-	-	-	1,080,416,000
Retention receivables	44,455,481	-	-	-	-	-	44,455,481
Other receivables***	43,601,492	-	-	-	-	5,074,645	48,676,137
Deposits in interest reserve account	919,227,228	-	-	-	-	-	919,227,228
	₱7,612,722,072	₱-	₱-	₱-	₱736,087,617	₱83,435,820	₱8,432,245,509

*Excludes cash on hand amounting to ₱0.4 million as at December 31, 2018.

**Includes noncurrent portion of installment receivables amounting to ₱4.0 million as at December 31, 2018.

***Excludes advances for business expenses and advances to employees totaling to ₱41.8 million as at December 31, 2018.

The Group classifies credit quality risk as follows:

Minimal risk - accounts with a high degree of certainty in collection, where counterparties have consistently displayed prompt settlement practices, and have little to no instance of defaults or discrepancies in payment.

Average risk - active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues, but where the likelihood of collection is still moderate to high as the counterparties are generally responsive to credit actions initiated by the Group.



High risk - accounts with low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms.

The following tables below summarize the staging considerations (other than trade receivables and contract assets subject to provision matrix) of the Group's financial assets as at December 31:

	2019			
	Stage 1 (12-Month ECL)	Stage 2 (Life time ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	₱2,814,178,139	₱-	₱-	₱2,814,178,139
Short-term cash investments	181,632,086	---	---	181,632,086
Trade and other receivables:				
Trade receivables				
Power	---	---	33,467,626	33,467,626
Real estate**	---	---	13,163,091	13,163,091
Product distribution and others	---	---	31,730,458	31,730,458
Due from related parties	1,399,743,565	---	---	1,399,743,565
Retention receivables	24,455,481	---	---	24,455,481
Other receivables***	38,320,708	---	5,074,645	43,395,353
Deposits in interest reserve account	968,735,875	---	---	968,735,875
	₱5,427,065,854	₱-	₱83,435,820	₱5,510,501,674

*Excludes cash on hand amounting to ₱0.4 million as at December 31, 2019.

**Includes noncurrent portion of installment receivables amounting to ₱2.0 million as at December 31, 2019.

***Excludes advances for business expenses and advances to employees totaling to ₱21.8 million as at December 31, 2019.

	2018			
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit-impaired)	Total
Cash and cash equivalents*	₱3,474,206,341	₱-	₱-	₱3,474,206,341
Short-term cash investments	262,952,916	---	---	262,952,916
Trade and other receivables:				
Trade receivables				
Power	---	---	33,467,626	33,467,626
Real estate**	---	---	13,163,091	13,163,091
Product distribution and others	---	---	31,730,458	31,730,458
Due from related parties	1,116,603,735	---	---	1,116,603,735
Retention receivables	44,455,481	---	---	44,455,481
Other receivables***	43,601,492	---	5,074,645	48,676,137
Deposits in interest reserve account	919,227,228	---	---	919,227,228
	₱5,861,047,193	₱-	₱83,435,820	₱5,944,483,013

*Excludes cash on hand amounting to ₱0.4 million as at December 31, 2018.

**Includes noncurrent portion of installment receivables amounting to ₱4.0 million as at December 31, 2018.

***Excludes advances for business expenses and advances to employees totaling to ₱41.8 million as at December 31, 2018.

Set out below is the information about the credit risk exposure on trade receivables and contract assets using a provision matrix as of December 31:

	Contract Assets	Current	Days Past Due		Total
			1-90 Days	> 90 Days	
Expected credit loss rate		0%	0%	0%	
Estimated total gross carrying amount at default	₱1,182,196,755	₱1,578,133,517	₱-	₱-	₱2,760,330,272
Expected credit loss	---	---	---	---	---
Credit impaired	---	---	---	33,467,626	33,467,626
Total expected credit loss	₱-	₱-	₱-	₱33,467,626	₱33,467,626



	Contract Assets	Current	Days Past Due			Total
			1-90 Days	> 90 Days		
Expected credit loss rate	0%	0%	0%	0%		
Estimated total gross carrying amount at default	₱1,080,416,000	₱655,756,453	₱669,831,053	₱-	₱2,406,003,506	
Expected credit loss	—	—	—	—	—	—
Credit impaired	—	—	—	33,467,626	33,467,626	
Total expected credit loss	₱-	₱-	₱-	₱33,467,626	₱33,467,626	

Set out below is the credit risk exposure on the Group's trade receivables from real estate sales using vintage analysis:

	2019	2018
Expected credit loss rate	0%	0%
Estimated total gross carrying amount at default	₱69,154,468	₱81,758,990

Liquidity Risk

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

As of March 19, 2020, the Group has on-going negotiations regarding refinancing of its currently maturing long-term debt and received two proposals from reputable banks.

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

	Due and Demandable	2019						Total	
		Less than 3 Months	3-12 Months	More than 1 Year to 3 Years		4-5 Years	5 Years onwards		
				1	2				
Financial Liabilities:									
Accounts payable and other current liabilities*	₱3,595,407,928	₱309,134,039	₱1,067,657	₱-	₱-	₱-	₱-	₱3,905,609,624	
Short-term notes and loans payable**	—	820,220,868	998,000,000	—	—	—	—	1,818,220,868	
Long-term debts**	—	—	7,770,359,789	10,512,353,668	6,366,892,939	7,488,610,922	—	32,138,217,318	
Lease liability**	—	—	12,762,956	14,719,942	—	—	—	27,482,898	
	₱3,595,407,928	₱1,129,354,907	₱8,782,190,402	₱10,527,073,610	₱6,366,892,939	₱7,488,610,922	₱37,889,530,708		
<hr/>									
	Due and Demandable	2019						Total	
		Less than 3 Months	3-12 Months	More than 1 Year to 3 Years		4-5 Years	5 Years onwards		
				1	2				
Financial Assets:									
Cash and cash equivalents	₱2,814,560,639	₱—	₱—	₱—	₱—	₱—	₱—	₱2,814,560,639	
Short-term cash investments	—	—	181,632,086	—	—	—	—	181,632,086	
Receivables	909,647,132	652,097,279	123,864,282	—	—	—	—	1,685,608,693	
Deposits in interest reserve account	—	—	968,735,875	—	—	—	—	968,735,875	
Due from related parties	1,399,743,565	—	—	—	—	—	—	1,399,743,565	
Retention receivable	—	—	24,455,481	—	—	—	—	24,455,481	
Equity investments designated at FVOCI	—	—	—	—	—	—	—	2,350,666,222	
	₱5,123,951,336	₱652,097,279	₱1,298,687,724	₱—	₱—	₱—	₱—	₱9,425,402,561	

* Excluding accrued interest, payable to government agencies, current portion of lease liability and advances from customers totaling to ₱575,041,164

** Including interest payable computed using prevailing rate as at December 31, 2019



	2018						
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 3 Years	4-5 Years	5 Years onwards	Total
Financial Liabilities:							
Accounts payable and other current liabilities*	₱3,613,643,415	₱619,305,121	₱1,327,695	₱-	₱-	₱-	₱4,234,276,231
Short-term notes and loans payable**	40,000,000	431,401,536	100,000,000	215,701	-	-	571,617,237
Long-term debts**	-	-	3,310,479,733	13,823,546,387	7,470,791,140	9,456,917,720	34,061,734,979
	₱3,653,643,415	₱1,050,706,657	₱3,411,807,428	₱13,823,762,088	₱7,470,791,140	₱9,456,917,720	₱38,867,628,447
Financial Assets:							
Cash and cash equivalents	₱3,474,561,841	₱-	₱-	₱-	₱-	₱-	₱3,474,561,841
Short-term cash investments	-	-	262,952,916	-	-	-	262,952,916
Receivables	722,030,358	574,241,332	58,656,130	96,020,168	-	-	1,450,947,988
Deposits in interest reserve account	-	-	919,227,228	-	-	-	919,227,228
Due from related parties	1,116,603,735	-	-	-	-	-	1,116,603,735
Retention receivable	-	-	-	44,455,481	-	-	44,455,481
Equity investments designated at FVOCI	-	-	-	2,358,327,598	-	-	2,358,327,598
	₱5,313,195,934	₱574,241,332	₱1,240,836,274	₱2,498,803,247	₱-	₱-	₱9,627,076,787

* Excluding accrued interest, payable to government agencies and advances from customers totaling to ₱423,628,614

** Including interest payable computed using prevailing rate as at December 31, 2018

Interest Rate Risk

Interest risk is the risk that changes in interest rates will adversely affect the Group's income or value of its financial instruments. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debts obligations.

Interest on financial instruments classified as floating rate is repriced on a quarterly and semi-annual basis.

The table below demonstrates sensitivity analysis to a reasonably possible change in interest rates on long-term debts, with all other variables held constant, of the Group's income before income tax (through the impact on floating rate interest on borrowings).

There is no effect on equity other than those already affecting the consolidated statements of income.

	2019	2018		
	Increase in Basis Points	Decrease in Basis Points	Increase in Basis Points	Decrease in Basis Points
Change in basis points	+100	-100	+100	-100
Increase (decrease) in income before income tax	(₱173,114,421)	₱173,114,421	(₱165,604,402)	₱165,604,402



Equity Price Risk

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's consolidated equity. The reasonably possible change in equity price was based on the year-to-year change of stock market indices. In quantifying the effect of reasonably possible change in equity price, the expected return on the AFS financial assets is correlated to the return of the financial market as a whole through the use of beta coefficients. The methods and assumptions used in the analysis remained unchanged over the reporting periods.

The table below summarizes the impact of changes in equity price on the consolidated equity. However, significant decrease in equity price may affect the consolidated income before income tax.

Equity price risk of those AFS financial assets listed in the Philippine Stock Exchange and secondary or broker market (for golf club shares) is as follows:

	2019		2018	
	Increase in Equity Price	Decrease in Equity Price	Increase in Equity Price	Decrease in Equity Price
Change in equity price	+1%	-1%	+1%	-1%
Increase (decrease) in equity	₱1,292,575	(₱1,292,575)	₱1,369,188	(₱1,369,188)

Foreign Currency Risk

The Group's exposure to foreign currency risk is limited to monetary assets and liabilities denominated in currencies other than its functional currency. Substantial portion of the U.S. dollar-denominated assets and liabilities is attributable to the Group's power segment in which the functional currency is the U.S. dollar. The Group closely monitors the fluctuations in exchange rates so as to anticipate the impact of foreign currency risk associated with its financial instruments.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the Philippine peso to U.S. dollar exchange rates used was ₱50.64 to US\$1.0 and ₱52.58 to US\$1.0 for December 31, 2019 and 2018, respectively.

The table below summarizes the Group's exposure to foreign currency risk. Included in the table are the Group's financial assets and liabilities at their carrying amounts.

	2019		2018	
	In U.S. Dollar	In Philippine Peso	In U.S. Dollar	In Philippine Peso
Financial assets:				
Cash and cash equivalents	\$3,320,293	₱168,123,036	\$1,026,641	₱53,980,784
Short-term cash investments	2,204,643	111,632,098	2,025,376	106,494,270
Trade and other receivables	2,023,067	102,437,998	5,227,160	274,844,073
	7,548,003	382,193,132	8,279,177	435,319,127
Financial liabilities -				
Trade payables	(3,984,844)	(201,772,576)	(8,710,275)	(457,986,260)
	\$3,563,159	₱180,420,556	(\$431,098)	(₱22,667,133)



The table below demonstrates the sensitivity to a reasonably possible change in the U.S. dollar to Philippine peso exchange rate, with all other variables held constant, of the Group's income before income tax. The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical date within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2019		2018	
	Philippine Peso		Philippine Peso	
	Increase	Decrease	Increase	Decrease
Change in foreign exchange rate	+1.0	-1.0	+1.0	-1.0
Increase (decrease) in income before income tax	₱1,804,206	(₱1,804,206)	(₱226,671)	₱226,671

The increase in ₱ against US\$ means stronger U.S. dollar against peso while the decrease in ₱ against US\$ means stronger peso against U.S. dollar.

There is no other impact on the Group's equity other those already affecting the consolidated statements of income.

Capital Management

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

The Group considers its total equity and debt reflected in the consolidated statement of financial position as its capital. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional. No changes were made in the objectives, policies or processes in 2019 and 2018.

The Group monitors its capital based on debt to equity ratio as required by its loans agreements with financial institutions. The Group includes debt interest bearing loans and borrowings. Capital includes equity attributable to the equity holders of the parent less the other equity reserves. The Group monitors capital on the basis of the debt-to-equity ratio and interest coverage ratio in compliance for its long-term debts. Debt-to-equity ratio is calculated as total liabilities over total equity, excluding accounts payable and other current liabilities arising from operations and other reserves. Interest coverage ratio is calculated as earnings before interest, taxes, depreciation and amortization over total interest expense.

The Group's strategy, which was unchanged from prior year, was to maintain the debt-to-equity ratio and interest coverage ratio at manageable levels.

The Parent Company's debt-to-equity ratio and interest coverage ratio as required by its own long-term debt are as follows:

a. **Debt-to-equity Ratio:**

	2019	2018
Loans payable and short-term notes payable	₱1,731,017,268	₱450,059,273
Long-term debts	23,299,494,704	22,781,653,909
Interest payable	316,267,945	301,601,399
Total debt	25,346,779,917	23,533,314,581

(Forward)



	2019	2018
Total equity	₱11,492,275,686	₱11,494,843,770
Less equity reserves	2,494,321,789	2,518,570,606
Adjusted equity	₱8,997,953,897	₱8,976,273,164
Debt-to-equity ratio	2.82:1	2.62:1

b. Interest Coverage Ratio:

	2019	2018
Income before income tax	₱1,041,189,089	₱702,683,751
Add depreciation, amortization and interest expense	2,068,781,236	1,894,225,071
Less: Interest income	(118,193,175)	(62,966,406)
Total cash available for interest expense	2,991,777,150	2,533,942,416
Divided by interest expense	991,946,957	1,022,278,057
	3.02:1	2.48:1

Sarangani

Sarangani separately monitors its debt-to-equity ratio and debt service coverage ratio between Phase 1 and Phase 2 of the Project.

Sarangani's debt-to-equity ratio and debt service coverage ratios calculated using Sarangani's stand-alone financial statements are as follows:

a. Debt-to-equity Ratio:

	2019	2018
Current liabilities	₱4,614,442,864	₱3,448,479,818
Noncurrent liabilities	16,470,124,044	15,856,380,255
Total liabilities	21,084,566,908	19,304,860,073
Equity (including cash advances for future equity conversion)	10,754,944,541	10,153,471,625
Debt-to-equity ratio	1.96:1	1.90:1

b. Debt Service Coverage Ratio:

Phase 1

	2019	2018
Income before income tax	₱1,325,807,778	₱874,553,095
Add depreciation, amortization and interest expense	1,451,062,463	1,348,271,939
Total cash available for debt service	2,776,870,241	2,222,825,034
Divided by debt service	2,235,320,352	1,230,360,625
	1.24:1	1.81:1

Phase 2

As at December 31, 2019 and 2018, the Debt Service Coverage Ratio for loans related to Phase 2 is not yet applicable.



32. Financial and Non-financial Instruments

The Group held the following financial and non-financial instruments that are carried at fair value or where fair value is required to be disclosed:

As at December 31, 2019:

	Carrying value	Fair Value			Level 3
		Total	Level 1	Level 2	
Financial Assets					
Measured at fair value -					
Equity investments					
designated as FVOCI	₱2,350,666,222	₱2,350,666,222	₱41,287,453	₱88,110,000	₱2,221,268,769
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	191,394,011	1,035,405,000	—	—	1,035,405,000
	₱2,542,060,233	₱3,386,071,222	₱41,287,453	₱88,110,000	₱3,256,673,769
Financial Liabilities					
Fair value is disclosed -					
Long-term debts	₱23,299,494,704	₱23,119,355,208	₱—	₱—	₱23,119,355,208

As at December 31, 2018:

	Carrying value	Fair Value			Level 3
		Total	Level 1	Level 2	
Financial Assets					
Measured at fair value -					
Equity investments					
designated as FVOCI	₱2,358,327,598	₱2,358,327,598	₱48,048,830	₱88,110,000	₱2,222,168,768
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	191,436,343	934,050,000	—	—	934,050,000
	₱2,549,763,941	₱3,292,377,598	₱48,048,830	₱88,110,000	₱3,156,218,768
Financial Liabilities					
Fair value is disclosed -					
Long-term debts	₱22,781,653,909	₱21,345,790,304	₱—	₱—	₱21,345,790,304

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

The following methods and assumptions are used to estimate the fair value of each class of financial and non-financial instruments:

Cash and cash equivalents, short-term cash investments, and trade and other receivables
The carrying amounts of these financial assets approximate their fair values due to the short-term maturity of those instruments and the effect of discounting the instruments is not material.

Financial assets at FVOCI

The Group's financial assets include investments in quoted and unquoted securities and golf club shares. The fair value of investment in quoted securities is determined based on the closing market rate in PSE as at statement of financial position dates. The fair value of investment in golf club shares which are traded in organized financial markets is determined based on any price within the lower selling quotes and higher buyer quotes at the close of business at reporting date.



As of December 31, 2019 and 2018, the Group's investment in unquoted equity investments is measured at fair value using the adjusted net asset value approach as of December 31, 2019 and 2018, respectively (see Note 13).

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis are shown below:

As at December 31, 2019:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount
Price per square meter for Investment properties	₱22,484 - ₱77,000	+1% -1%	₱1,154,616 (1,154,616)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.39 times	+1% -1%	41,779,319 (41,779,319)
Discount for lack of marketability	10%	+10% -10%	(220,000,000) 220,000,000

As at December 31, 2018:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount
Price per square meter for Investment properties	₱22,484 - ₱77,000	+1% -1%	₱1,154,616 (1,154,616)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.29 times	+1% -1%	6,561,279 (6,561,279)
Discount for lack of marketability	10%	+10% -10%	(220,000,000) 220,000,000

Accounts payable and other current liabilities and loans payable

The carrying amounts of these financial liabilities approximate fair value because of the short-term maturity of these instruments.

Long-term debts

The fair value of long-term debts with variable interest rates approximates its carrying amounts due to quarterly repricing of interest. The fair value of long-term debts with fixed interest rate and long-term debts with variable interest rates subject to semi-annual repricing of interest is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments.

Investments in real estate

Refer to Note 10 for the basis of fair value.



33. Significant Agreements and Commitments

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

Under an Advisory Service Agreement, AIL provides PT Makassar Power (PTMP), which is an independent power producer based in Indonesia, with technical advisory services in connection with the operation and maintenance of a power plant in Indonesia for specified monthly fee of \$44,600 from August 2011 to April 2012 and \$46,600 from May 2012 to April 2015. On April 20, 2015, PTMP extended the Advisory Service Agreement with AIL for another year starting May 1, 2015. On April 30, 2016, AIL's contract with PTMP officially ended.

No billings to PTMP in 2019, 2018 and 2017.

b. PSAs and ASPA

Starting December 13, 2015 and April 29, 2016, WMPC, and SPPC, respectively, arranged for PSAs with the following electric cooperatives and distribution utilities, for a period of 10 years:

WMPC

Contracting Party	Contracted Capacity (in Megawatts)
Zamboanga City Electric Cooperatives, Inc. (ZAMCELCO)	50
Cagayan Electric Power and Light Company, Inc. (CEPALCO)	30
	80

On September 25, 2017, CEPALCO requested to suspend its PSA starting October 2017 because based on the current supply-demand condition within its franchise area, CEPALCO will not be requiring the 30 megawatts capacity from WMPC for the meantime. Consequently, on September 26, 2017, WMPC agreed to the requested suspension. The unexpired term of the PSA between WMPC and CEPALCO shall be preserved and will resume upon prior written notice from the latter.

On September 8, 2018, WMPC filed an application with the ERC for the approval of ASPA between WMPC and National Grid Corporation of the Philippines (NGCP). On April 22, 2019, it was provisionally approved by the Energy Regulatory Commission (ERC) for a period of 5 years.

Revenue amounted to ₱1,158 million in 2019, ₱1,381 million in 2018 and ₱1,375 million in 2017.

SPPC

Contracting Party	Contracted Capacity (in Megawatts)
Davao Light Power Company (DLPC)	50
Cotabato Light and Power Company, Inc. (CLPC)	5
	55

The PSAs with CLPC and DLPC expired on April 28, 2018 and April 29, 2018, respectively, which were neither extended nor renewed. As of March 19, 2020, the SPPC has no operations.

Revenue amounted to ₱121 million in 2018 and ₱405 million in 2017.

As of March 19, 2020, SPPC's application for ASPA is with the Office of the President of NGCP for further review and approval.



MPC

The details of MPC's contracted capacity (in Megawatts) with electric cooperatives based on the PSAs entered as at December 31 are as follows:

Contracting Party	Contracted Capacity (in Megawatts)	
	2019	2018
CEPALCO	30	30
Surigao Del Sur I Electric Cooperative, Inc. (SURSECO I)	4	4
	34	34

On January 8 and June 9, 2016, MPC entered into a PSA with CEPALCO and SURSECO I, respectively, to supply energy for a period of ten (10) years.

The PSAs with ZAMCELCO and ZANECO expired on March 3, 2018 and July 31, 2018, respectively, which were not extended nor renewed. On April 29, 2019, SURSECO I decided to fully terminate their contract with MPC effective December 26, 2019.

Revenue amounted to ₱440 million in 2019, ₱446 million in 2018 and ₱545 million in 2017.

Sarangani

Sarangani entered into PSAs with the following parties for a period of 25 years.

Phase 1 of the Project

Contracting Party	Contracted Capacity (in Megawatts)
SOCOTECO II	70
Iligan Light and Power Inc.	15
Agusan del Norte Electric Cooperative	10
Agusan del Sur Electric Cooperative	10
	105

Phase 2 of the Project

Contracting Party	Contracted Capacity (in Megawatts)
Cagayan Electric Power and Light Company, Inc.	20
Davao del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative, Inc.	15
Cotabato Electric Cooperative, Inc.	10
South Cotabato I Electric Cooperative, Inc.	10
Zamboanga del Sur I Electric Cooperative Inc.	5
Zamboanga del Norte Electric Cooperative Inc.	5
	80

Revenue amounted to ₱5,411 million in 2019, ₱4,728 million in 2018 and ₱4,168 million in 2017.

SRPI

In March 2013, SRPI entered into a PSA with ZAMCELCO for a period of 25 years from start of the SRPI's commercial operation. Contracted capacity for the related PSA was 85 MW. On September 15, 2014, the Energy Regulation Commission approved the above PSA. As at March 19, 2020, the Company has not started the construction of the ZAM 100 power plant. The



proposals for the Engineering, Procurement and Construction (EPC) rebidding were submitted on August 30, 2018. Selection of the contractor who will handle the construction of the project is expected to be concluded in March 2020. Meanwhile, the signing of contract and awarding of the Limited Notice to Proceed to the winning bidder is estimated to be in August 2020, with the issuance of Final Notice to Proceed in September 2020. The project is expected to be completed in May 2023.

c. Joint Venture Agreements

ALC has a Joint Venture Agreement with SLRDI for the development of ALC's parcels of land at General Trias, Cavite into a commercial and residential subdivision with golf courses, known as the Eagle Ridge Golf and Residential Estates (Eagle Ridge). The entire development shall be undertaken by SLRDI which shall receive 60% of the total sales proceeds of the lots of the subdivision, both commercial and residential, and of the golf shares. The remaining balance of 40% shall be for ALC. ALC's 40% share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots is included under "Real estate inventories" account in the consolidated statements of financial position.

In 2006, ALC entered a joint venture agreement with Sunfields Realty Development Inc., the developer, for the development of ALC's parcels of land at Lipa and Malvar, Batangas into residential house and lots, called as the Campo Verde Subdivision. The entire development costs were shouldered by the developer. In return to their respective contributions to the project, the parties have agreed to assign a number of units of residential house and lots proportionate to their respective contributions computed as specified in the Memorandum of Agreement. The developer was assigned as the exclusive marketing agent and receives 10% of the total contract price, net of value-added tax and discounts, as marketing fee. Sales and cost of lots sold allocated to ALC are shown as part of "Real estate sales" and "Cost of real estate sales" accounts, respectively, in the consolidated statements of income.

On March 21, 2013, Aldevinco and ACIL (collectively referred as "AG") and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana. On September 17, 2013, Aviana was incorporated as the JVC. ACR has subscribed to 296 preferred shares and 32 common shares for 34% ownership in Aviana.

d. Marketing Agreements

ALC and SLRDI have a Marketing Agreement with Fil-Estate Group of Companies (FEGC) for the latter to market and sell the individual lots at Eagle Ridge. FEGC is entitled to a marketing commission of 12% of the sales contract price.

e. Engineering, Procurement and Construction Contract (EPC)

Sarangani

On March 30, 2011, Sarangani entered into EPC contract with the consortium of Daelim Industrial Co. Ltd, a company incorporated in Korea, and Daelim Philippines Incorporated, a company incorporated in the Philippines ("Contractor"). Under the terms of the contract, the Contractor shall perform any and all services and provide any and all equipment and construction equipment necessary to perform the work in accordance with the EPC contract on a fixed-price, turnkey basis and shall deliver a fully operational power plant facility (SM 200). On December 29, 2011 and May 24, 2012, Amendments 1 and 2 to the EPC, respectively, were



signed, revising certain portions of the EPC. Construction of Phase 1 of the SM200 commenced in January 2013 and was completed in April 2016.

On July 6, 2016, Sarangani entered into EPC contract with JGC Corporation, a company incorporated in Japan, and JGC Philippines, Inc., a company incorporated in the Philippines ("JGC"). Under the terms of the contract, JGC shall install the second 105 MW unit and associated auxiliaries in accordance with Sarangani's requirements. On October 14, 2016, the formal Notice to Proceed was issued to JGC.

- f. Registration with Zamboanga City Special Economic Zone Authority (ZAMBOECOZONE) and Kamanga Agro-Industrial Economic Zone

On November 20, 2012, SRPI obtained the certificate of registration and tax exemption issued by ZAMBOECOZONE. As a registered ZAMBOECOZONE enterprise, SRPI shall enjoy incentives and benefits provided for in Republic Act (R.A.) 7903 Sections 4(e) and 4(f) and Sections 43-44, 57-59 and 62 of R.A. 7903 throughout the Lease Agreement with ZAMBOECOZONE.

On June 7, 2011, PEZA approved Sarangani's registration as an Ecozone Utilities Enterprise inside Kamanga Agro-Industrial Economic Zone located at Barangay Kamanga, Maasim, Sarangani Province.

As a power generation registered economic zone enterprises SRPI and Sarangani are entitled to the following incentives:

- (a) Exemption from national and local taxes and in lieu thereof payment of a special tax rate of 5% on gross income; and
- (b) Tax and duty free importation of capital equipment, machineries and spare parts. VAT-zero rating on local purchases subject to compliance with BIR and PEZA regulations/requirements.

- g. Joint Crediting Mechanism Grant (the JCM Grant) by the Ministry of Environment of Japan (MEJ)

On September 22, 2017, ACR, AREC, Toyota Tsusho Corporation (TTC) and the Company entered into agreement on International Consortium (the Consortium Agreement) in order to form a consortium and jointly develop and implement the 14.5 MW mini Hydro Power Plant Project in Sigil River in Mindanao which was granted Joint Crediting Mechanism Grant (the JCM Grant) by the Ministry of Environment of Japan (MEJ), for a maximum grant of JPY732.25 million, which was awarded, approved and announced by MEJ on October 20, 2017.

On November 14, 2017, the parties have entered into Memorandum of Agreement (MOA) and the parties have agreed that the Company shall pay TTC its service fee in relation to the JCM Grant. The service fee equivalent to JPY22 million for fiscal years March 31, 2019 and 2020, related to services to be rendered by TTC for the purpose of implementing the project such as, but not limited to: preparation of monthly and annual report in accordance with the JCM rules and submit the same to Global Environment Center Foundation (GEC); attendance to GEC meetings; arranging GEC's final inspection of the usage of the JCM Grant and the scheduled completion of the project, etc. For the year ended December 31, 2019, the Company paid ₱5.4 million to TTC.

Under the MOA, TTC shall remit the JCM Grant it received from MEJ within 30 days after the issuance of the Certificate of Provisional Acceptance (CPA) as defined in the Engineering, Procurement and Construction (EPC) contract and COD which means the date that the Company has declared to South Cotabato II Electric Cooperative, Inc. (SOCOTECO II) or any other off-



taker that, it is ready to deliver, and SOCOTECO II or any other off-taker is ready to accept, the contracted capacity and dispatchable energy mentioned in the Power Sales Agreement (PSA) between parties, which is still pending as of date. As of March 19, 2020, the Company has not yet received any fund from this grant agreement.

34. Contingencies

The Group is currently involved in certain regulatory matters of which estimate of the probable costs for its resolution has been developed in consultation with the Group's advisors handling the defense on these matters and is based on the analysis of potential results. Such potential results and estimate of potential liability are not reflected in the consolidated financial statements as management believes that it is not probable that the contingent liabilities will materialize affecting the Group's operations and consolidated financial statements.

35. Notes to Consolidated Statements of Cash Flows

a. The principal noncash investing and financing activities are as follows:

	2019	2018	2017
Financing activities:			
Amortization of debt issue cost	₱73,486,107	₱74,907,303	₱55,904,550
Application of dividends to subscriptions receivable (Note 21)	(4,400,000)	(4,400,000)	(4,400,000)
Allocation of debt issue costs to undrawn portion of OLSA	—	(118,159,635)	157,956,627
Investing activities:			
Noncash additions to property, plant and equipment (reclassifications, unpaid portions, etc.)	(671,264,226)	(227,688,736)	(242,731,888)
Share in earnings of associates (Notes 11 and 27)	70,629,805	32,888,825	—
Unpaid dividend from an associate	2,000,000	—	—
Disposal of subsidiary without loss of control (Note 1)	—	—	1,495,267,800

b. Reconciliation of the movement of liabilities arising from financing activities as at and for the years ended December 31, 2019 and 2018 are as follows:

	2019		
	Short-term notes		
	Loans payable	payable	Long-term debts
Beginning balance	₱354,895,860	₱95,163,413	₱22,781,653,909
Cash movements:			
Availment of additional debt	1,273,380,919	2,451,055,305	1,600,000,000
Settlement of debt	(1,515,985,053)	(927,493,176)	(1,052,513,329)
Payment of debt issue costs	—	—	(103,131,983)
Noncash movements:			
Amortization of debt issue costs	—	—	73,486,107
Ending balance	₱112,291,726	₱1,618,725,542	₱23,299,494,704



	2018		
	Short-term notes		
	Loans payable	payable	Long-term debts
Beginning balance	₱975,708,681	₱—	₱18,709,921,947
Cash movements:			
Availment of additional debt	3,270,762,994	100,000,000	6,450,000,000
Settlement of debt	(3,891,575,815)	—	(2,299,590,081)
Payment of debt issue costs	—	(5,997,368)	(34,274,844)
Noncash movements:			
Amortization of debt issue costs	—	1,160,781	73,756,522
Allocation of debt issue costs to undrawn portion of OLSA	—	—	(118,159,635)
Ending balance	₱354,895,860	₱95,163,413	₱22,781,653,909

c. Reconciliation of the movement of interest payable and dividend payable arising from financing activities as at and for the years ended December 31, 2019 and 2018 are as follows:

	2019	
	Interest payable	Dividend payable
Beginning balance	₱301,601,399	₱185,000,000
Cash movements:		
Payment	(1,066,347,186)	(629,930,000)
Noncash movements:		
Declaration	—	593,330,000
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense	1,081,013,732	—
Ending balance	₱316,267,945	₱144,000,000

	2018	
	Interest payable	Dividend payable
Beginning balance	₱280,059,023	₱—
Cash movements:		
Payment	(1,164,350,296)	(567,493,994)
Noncash movements:		
Declaration	—	756,893,994
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense	1,185,892,672	—
Ending balance	₱301,601,399	₱185,000,000

36. Other Matters

a. Electric Power Industry Reform Act (EPIRA)

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

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



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

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

b. Clean Air Act

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries complied with the applicable provisions of the Clean Air Act and the related IRR as at December 31, 2019 and 2018.

c. Subsequent Event

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an Enhanced Community Quarantine (ECQ) throughout the island of Luzon until April 12, 2020. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. The Group activated its business continuity plan pursuant to the aforementioned pronouncements.

The Group considers the events surrounding the outbreak as non-adjusting subsequent events, which do not impact its financial position and performance as of and for the year ended December 31, 2019. However, the outbreak could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Group cannot determine at this time the impact to its financial position, performance and cash flows. The Group will continue to monitor the situation. As of March 19, 2020, management is still assessing the impact of the COVID-19 pandemic. However, management has preliminarily assessed that power plant operations and expansion projects in the pipeline are still on track for completion amid the ECQ imposed in Luzon.



**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
Alsons Building, 2286 Chino Roces Avenue
Makati City, Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries (the Group) as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019, included in this Form 17-A, and have issued our report thereon dated March 19, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle
Manolito R. Elle
Partner
CPA Certificate No. 106471
SEC Accreditation No. 1618-AR-1 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 220-881-929
BIR Accreditation No. 08-001998-128-2019,
November 27, 2019, valid until November 26, 2022
PTR No. 8125233, January 7, 2020, Makati City

March 19, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
Alsons Building, 2286 Chino Roces Avenue
Makati City, Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alsons Consolidated Resources, Inc. and Subsidiaries (the Group) as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019, and have issued our report thereon dated March 19, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Manolito R. Elle
Manolito R. Elle
Partner
CPA Certificate No. 106471
SEC Accreditation No. 1618-AR-1 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 220-881-929
BIR Accreditation No. 08-001998-128-2019,
November 27, 2019, valid until November 26, 2022
PTR No. 8125233, January 7, 2020, Makati City

March 19, 2020



ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2019

Supplementary schedules required by the Revised Securities Regulation Code Rule 68:

- Reconciliation of retained earnings available for dividend declaration
- Map of the conglomerate or group of companies within which the reporting entity belongs

EXHIBIT 2

**SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2019**

Schedule A: Financial Assets
For the year Ended December 31, 2019

Name of Issuing Entity and Description of Each Issue	No. of Shares	Amounts Shown in the Balance Sheet	valued based on		Received and Accrued
			Market Quotations at	Interest and Dividend Income	
Short-term deposit (cash equivalents)					
Peso denominated short term deposit		549,906,616			32,013,620
U.S. Dollar denominated short term deposit		150,750,931			2,335,864
		700,657,546			34,349,484
Short-term cash investments					
U.S. Dollar denominated short term investments		111,632,086			-
Peso denominated short term investments		70,000,000			-
		181,632,086			-
Available-for-sale financial assets					
Philodrill	566,720,000	5,667,200	5,667,200		
Seafront	16,544,911	34,354,253	34,354,253		
Globe Telecom	1,013	2,026,000	2,026,000		
ACR Mining Corporation	21,268,769	21,268,769	21,268,769		
Alsons Development & Investment Corp.	22,000,000	2,200,000,000	2,200,000,000		
Eagle Ridge Golf and Country Club	511	86,450,000	86,450,000		
Pueblo de Oro Development Corporation	2	900,000	900,000		
	625,535,206	2,350,666,222	2,350,666,222		
TOTAL FINANCIAL ASSETS	625,535,206	3,232,955,855	2,350,666,222		34,349,484

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
ACR							
Aguilar, Tessie	-	22,440					22,440
Galila, Glenn	-	6,000					6,000
Espanol, Benjamin	10,000	12,500					22,500
Manpalaz, Ma. Cleofas	R 8,000		8,000				-
Others		1,161					1,161
Refucio, Clara	R -	2,000					2,000
Rupisan, Basilio	R 14,200						14,200
Simon, Jennifer		4,200	4200				-
Saldivar, Jun Jr.	M 17,358		17,358				-
Zarate, Emmanuel	M -	14,650					14,650
	53,758	44,101	29,558		-	-	82,951
Alsons Land Corporation							
Saliba, Cecille	R 13,000						13,000
Others		44,203					44,203
Hechanova, Jose Ma. Antonio	M 11,927						11,927
Roa, Susan V.	R 90,947		9,000				81,947
	160,077	-	9,000		-	-	151,077
Sarangani Energy Corporation							
Abrot, Jeannie A.	26,062		16,062				10,000
Abueva, Denie B.	3,514	10,478	3,514				10,478
Aceberos, Stanly P	-	36,559					36,559
Alagos, Glenn Mark C.	950		950				-
Alba, Christine Juvin B.	3,497		3,497				-
Alboroto, Joseph T.	S 332,262		57,571				274,691
Alcala, Cris Mae Rose C.		99,900	99,900				-
Alcaraz, Estelita M.		105,942	35,059				70,883
Allawan, Aura Shane C.	R 2	102,478	2				102,478
Allawan, Maximiano F.		2,239	2,239				-
Almazan, Rodjeck M.	-	748					748
Anas, Dave A.		15,400	15,400				-
Apostol Jr., Eduardo A.	-	3,735					3,735
Aquino, Ralph Benigno S.	S 317,082		51,940				265,142
Asuero, Fritz B.		269,431	2,009				267,422
Atas, Adrian B.	-	361					361
Aton, Joel E.	M 30,932	4,759					35,691
Bagarinao, Shane L.		328,762	54,071				274,691
Balboa, Lumen P.	-	3,625					3,625
Balinas, Ann Marie Roselle D.		3,312	3,312				-
Bandi-anom, Jay-ar		3,136	3,136				-
Batac, Irene G.	-	101,992					101,992
Beduya, Cindy J.		2,590	2,590				-
Beljeda, Efren Caesar C.		316,124	55,805				260,319
Beltran, Cesar T. Jr.			3,614				3,614
Bitong, Jason Silverio B.		43,811	23,853				19,958
Buctuan, Jaime B. Jr.		40,449	21,943				18,506
Burgos, Romeo M.	-	3,347					3,347
Cabarce, Isagane C.	-	9,483					9,483

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Camara, Jimmy D.	-	180,224					180,224
Caminero, George L.	-	14,450					14,450
Caminse, Ria Mae	-	4,883					4,883
Campos, Lyh Benzyl C.	-	317,305					317,305
Canonigo, Efren Jr.	S 254,401		54,518				199,883
Catapang, Cherrie L.	400	150,000	400				150,000
Cereno, Aiza L.	-	66,834					66,834
Cobol, Christine Juvin A.	-	1,107					1,107
Cudilla, Edward Anthony G.	3,700		3,700				-
Dableo, John H.	-	13,006					13,006
Danao, Arc Dio G.	69,141	200,322					269,463
Datu, Noel A.	-	3,625					3,625
De Jesus, Cyngrade V.	299,847		48,205				251,642
De Leon, Reginald L.	8,693		8,693				-
Defante, Charnagne Joy		302,587					302,587
Del Rosario, Paul Richard M.	R 12,056		9,687				2,369
Dela Baryo, Lino L.	68,033		37,710				30,323
Delmo, Roxanne R.	R 60,382		53,576				6,806
Delos Santos, Joel E.	S 288,015		47,308				240,707
Dema-ala, Leonelo L.	R 13,279		11,725				1,554
Donato, Benna Jayne A.	R 715	4,737	715				4,737
Denolan, Ronald C.		4,670					4,670
Dulla, Maria Lourdes F.	-		-				-
Dumaran, Jerson D.	501	1,528	501				1,528
Dupio, Gilbert S.	8,776		8,776				-
Ebrahim, Haron G.	-	8,296					8,296
Ebus, Alvin A.	2,400		2,400				-
Enriquez, Emmanuel O.	3,574		1,586				1,988
Ensomo, Edsel P.	256,983		58,189				198,795
Esberto, Ian Kesniel	271,916		56,483				215,433
Espadilla, Cecilio O. Jr.	S 381,495		381,495				-
Espanol, Benjamin Jr.	S 171,508		65,928				105,580
Espra, Marvin B.	R 23,781		23,781				-
Estorque, Mary Jane P.	S 328,762	3,177					331,939
Esurena, Charlene N.	-		-				-
Fababier, Awardson	-	287,738					287,738
Flauta, Allan S. Jr.	16,576		13,576				3,000
Flores, Ludy C.	-	96,533					96,533
Flores, Erick R.	63,316		33,594				29,722
Fucoy, Nicardo R.	O -		-				-
Gabas, Ramon Caezar P.	R 5,569		5,569				-
Gacal, Franc Joshua I.	-	138,316					138,316
Gallano, Jayson R.	-	316					316
Garcia, Renante M.	R 118,825		118,825				-
Gaturian, Kimberly T.	250,142		61,654				188,488
Glang, Victor N.	R 27,863	407,731					435,594
Gonzales, Alfred Ma. M.	-	7,250					7,250
Gonzales, Gregorio S. Jr.	M -		-				-
Gregorio, Mark Oliver G.	R 9,459		9,459				-
Hamoy, Norma J.	143,819		116,119				27,700
Honor, Mark Timothy B.	-	288,778					288,778

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Imalay, Alex C.	330		330				-
Infante, Russell A.	-	29,325					29,325
Isla, Alamada M.	46,186		46,186				-
Jamili, Leodie M.	R 5,017		5,017				-
Labao, Archimedes C.	S 302,624		55,805				246,819
Ladaran, Em B.	S 280,391		47,512				232,879
Lara, Maria Jiji	1,300	3,789	1,300				3,789
Leedesma, Rochie H.	R 3,360	290,333	3,360				290,333
Legaspi, Lovely Jane Abigael F.	-	355,935					355,935
Lepardo, Frederick S.	11,728	2,540					14,268
Linogao, Jeed R.	S 250,319		47,146				203,173
Loking, Nelson C.	-	292,554					292,554
Lomongo, Jynelle Q.	25,000		25,000				-
Lopez, Rocher D.	S 293,412	75,844					369,256
Macagcalat, Rajiv S.	-	869					869
Maglasang, Russel G.	-	4,333					4,333
Magnabijon, Michael Nelson R.	956		956				-
Mahinay Sr., Ronald M.	-	24,730	-				24,730
Mahor, Israel R.	-		-				-
Majaducon, Ryan Jay E.	47,713		29,430				18,283
Manansala, Loren A.	S 271		271				-
Maningo, Charmaine Joyce S.	260,319		7,607				252,712
Maningo, Ram Kenneth	-	20,833					20,833
Manlangit, Norman U.	S -	298,015	-				298,015
Matampac, Mark Anthony S.	-	4,200					4,200
Mediavilla, Argie C.	270,142		44,220				225,922
Megrenio, Mary Shower M.	S 21,050	284,362					305,412
Megrenio, Renante P.	S 252,755		52,872				199,883
Mendoza, Karla Jean V.	R 2,250		2,250				-
Mercado, Elsa J.	M 2,149						2,149
Miano, Nicher	-	8,950					8,950
Mirasol, Glyzah Mae T.	R 64,250		61,469				2,781
Molinos, Jose Rey L.	329,239		54,548				274,691
Monterde, Joel F.	R 40,571		9,824				30,747
Morante, Harley Marvin C.	3,174	311,642	3,174				311,642
Murillo, Renie T.	S 247,326		247,326				-
Nale, Charlito D.	577	41,352	577				41,352
Navalta, Ramon B.	-	7,087					7,087
Necesario, Juan E.	30,000		30,000				-
Ng, Krystle Shane	-	2,534					2,534
Nocos, Joseph C.	O 9,453						9,453
Ola-a, Michael C.	490		490				-
Olvida, Casimiro V.	M 11,576		8,211				3,365
Orellanida, Kirby B.	17,240	11,035					28,275
Orquina, Lilian B.	10,822	12,500	10,822				12,500
Others	-	7,250	-				7,250
Paglinawan, Julius T.	S -		-				-
Palma, Mifel Japely S.	-	326,946	-				326,946
Paramo, Joel G.	S 105,580		73,280				32,300
Parantar Jr., Simplicio B.	14,063	21,712					35,775
Pasion, Romiro V.	S 168,658		17,402				151,256

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Pat, Alin P.	-	9,170					9,170
Pechon, Ceferino R.	R	-					-
Pecolados, Randy		35,579		24,993			10,586
Peconcillo, Rolando T. Jr.		-	743				743
Perez, Nonito R.		-	2,358				2,358
Porras, Kevin A.		76,809		20,338			56,471
Puas, Norguiadz S.		14,213		4,291			9,923
Ramos, Rona R.		339,886		91,058			248,828
Raqueno, Michelle Ross G.		39,568		35,692			3,876
Rendon, Michael		-	6,770				6,770
Rinos, Cesar Dwight E.		43,991		43,991			-
Rosacena, Welmer P.		265,131	16,438				281,569
Rosario, Kyle Vincent T.		-	3,625				3,625
Sabado, Sherrie Lyn F.		11,200		11,200			-
Sabanal, Erick E.		-	33,832				33,832
Saisce, Japheth R.		1,462		1,462			-
Salihol, Edna L.		-	422				422
Samson, Earl John T.		279,418		53,891			225,527
Sarmiento, Jonald B.		-	8,094				8,094
Seno, Seth S.	S	229,574		51,513			178,061
Serato, Edward P.	S	237,850	66,692				304,542
Silva, Justine Jose Allan P.	S	319,590		230,420			89,170
Simbulan, Sharon G.		2,200		2,200			-
Simon, Jennifer S.		-	17,445				17,445
Sobretodo, Angelito O.		5,583	7,500	5,583			7,500
Son, Reynold Y.		17,799		14,066			3,733
Soterio, Amalia A.		45,235		11,190			34,045
Suan, Alex M.	R	20,000	31,571	20,000			31,571
Suarez, Laurenz Julian		-	20,000				20,000
Sugal, Freddie C.		-	28,631				28,631
Sun, Elan Jay L.	R	19,401	316,124	19,401			316,124
Tagalogon, Harley J.		271,005		60,327			210,678
Talaugon, Billy D.		329,239		54,548			274,691
Tandoy, Reggie S.		-	100				100
Tapan, Eiffel Germaine G.	R	23,583		14,060			9,524
Tesoro, Bernalita D.		4,320	1,047				5,367
Tito, Janaisha Bai M.	S	320,427		7,945			312,482
Tolentino, Allan P.	R	20,000		20,000			-
Valdehueza, Halley Bryan P.	S	243,676	116,916				360,592
Valderama, Alex N.	S	338,130		95,826			242,304
Zamora, Bernardo N.	M	-		-			-
Zuriaga, Kristian T.		-	18,678				18,678
		11,794,485	5,929,418	3,467,406	-	-	14,256,496

SOUTHERN PHILIPPINES POWER CORPORATION

Balladares, Andy Oliver J.	S	166,979	166,979	-
Bernabe Jr., Paulino D.	S	85,571	85,571	-
Bonayon, Edgardo L.	S	194,626	36,323	158,303
Hamoy, Norma D.	M	4,392		4,392
Lisondra, Llewellyn R.	S	35	35	-
Pacson, Arturo P.	S	131,077	46,438	84,639

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Parreño, Rey S.	6,720		6,720				-
Saragena, Honorilito E.	S 122,487			122,487			-
Sevilles, Edgar D.	O 7,241						7,241
	719,127	-	464,553	-	-	-	254,575
WESTERN MINDANAO POWER CORPORATION							
Aba-a, Jonathan B.	20,000		20,000				-
Banaag, John P.	S 20,833	5,000					25,833
Banaag, Ma. Melissa Margaret A.	S 10,417	15,000	10,417				15,000
Basilio, Albert B.	S 8,333	1,250					9,583
Camacho, Chester Jan D.		-	11,510				11,510
Castro, Rosrina S.		5,572	15,720				21,292
Contreras, Oscar Banadict III E.	M 200		200				-
Cabug-os, Danilo C.		178,643		67,216			111,427
Datu, Noel A.	S 200		200				-
Dauba, Cesar T. Jr.	R 20,833		20,833				-
Dela Fuente, Benjamin P.		-	3,625				3,625
Delgado, Vermar A.		-	10,000				10,000
Dionio, Alan Leroy	S 34,167	37,500	34,167				37,500
Donato, Archimedes B.		56					56
Ecla, Ma. Arlene A.		296,278		53,574			242,703
Espinosa, Joy F.	S 221,772			63,353			158,419
Gloria, Danilo R.		-	11,804				11,804
Guadalupe, Rogelio Jr. H	R 6,750	5,000					11,750
Lara, Maria Jiji		12,568		12,568			-
Llorente, Thesalonica T.	R 12,500						12,500
Lozano, Teresita B.	M 4,126		1,328				2,798
Maglasang, Russel G.		-	8,458				8,458
Marin, Christopher Petronio	M 6,672						6,672
Mata, Reynold DG II		2,567		2,567			-
Monteron, Leonil L.	S 199,883		65,453				134,430
Porillo, Reynaldo A.	R 1,026		1,026				-
Revantad, Amedeo E	S 300,618		33,504				267,114
Rivera, Alimodin S.	R 1,105		934				171
Sevilles, Edgar D.		62,057		1,323			60,734
Simbulan, Sharon G.	R 25		25				-
Simon, Jennifer S.		10,502					10,502
Soterio, Amalia A.	R 13,149		13,149				-
Tan, Melanie Rose C.		-	3,625				3,625
Torrejon, Jose Marie T.	M 122,247	36,500					158,747
Tungpalan, Ruben G.		-	1,423				1,423
Varias, Lorenzo F.	R 10,294		9,919				375
	1,583,393	166,415	411,756	-	-	-	1,338,052
Conal Holdings Corporation							
Others	38,875	13,700					52,575
	38,875	13,700	-	-	-	-	52,575
MAPALAD POWER CORPORATION							
Abejo, Gary		10,817		10,817			-
Abejo, Sherwin L.		45,305		36,796			8,509

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2019**

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Ansing, Bernard C.	7,077	54,547	7,077				54,547
Aya-ay, Pablo	R	-	15,119				15,119
Balbutin, Melanie		24,500		24,500			-
Bontuyan, Rodel F.		3,744		2,187			1,557
Blancaflor, Fernando B.		237,133		53,981			183,152
Chabon, Mariel Alexandra			665				665
Chambers, Clint Robert L.	R	5,017	1,726	1,002			5,741
Dolorican, Judy S		302,587		56,928			245,659
Echavez, Ireneo Edmund E.	R	6,733	10,100				16,833
Israel, Brian Eric P.			18,893				18,893
Malayao, Roger G.	R	3,333		3,333			-
Megrino, Dana G.			731				731
Morito, Leonardo J.	S	173,244		67,664			105,580
Others			6,605				6,605
Pijo, Kate Kimberly S.			1,594				1,594
Ramilo, Ruben B.	M	-	10,837				10,837
Remocaldo, Arnel D.	R	-	2,132				2,132
Sampuang, Alan G.	S	199,883		199,883			-
Saragena, Julius E.	R	16,125		16,125			-
Tiongco, Librada C			1,394				1,394
Villena, Carl Roy B.	R	4,387		4,387			-
Yano, Crisanto D.		-	98,719				98,719
	1,039,885	223,062	484,680	-	-	-	778,267
KAMANGA							
Allawan, Maximiano F.	M	111,080		78,780			32,300
		111,080	-	78,780	-	-	32,300
SIGUIL HYDRO POWER CORP.							
Lisondra, Llewelyn R.			162,964	45,728			117,235
Gasque, Mohajirah A.			78,164				78,164
Tatel, Michael			11,781				11,781
Murillo, Renie T.			15,000	5,000			10,000
	-	267,909	50,728	-	-	-	217,180
APMC							
Abrot, Jeannie	R	-	12,700				12,700
Sevilles, Edgar	M	-	95,005				95,005
	-	107,705	-	-	-	-	107,705
TOTAL		15,500,679	6,752,308	4,996,462	-	-	17,271,178

Designation

R – Rank and File

S – Supervisory

M – Manager

O – Officer (Executive Office & Vice President)

Schedule D: Intangible Assets – Other Assets
For the Year Ended December 31, 2019

Intangible Assets	Beginning Balance	Deduction	Addition	Amortization	Revaluation	Ending Balance
Computer Software	17,813,873		4,003,566	(4,839,396)		16,978,043
Goodwill	806,687,320					806,687,320
<u>Mining Rights</u>		-	-	-	-	-
	<u>824,501,193</u>	<u>-</u>	<u>4,003,566</u>	<u>(4,839,396)</u>	<u>-</u>	<u>823,665,363</u>

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
 Schedule E: Long Term Debt
 For the Year Ended December 31,2019

Parent Company	Title of Issue and Type of Obligation	Short Term		Current Portion of Long-Term Debt in the Balance Sheet		Noncurrent Portion of Long-Term Debt in the Balance Sheet		Total Long Term Debt
		Loans Payable in the Balance Sheet	Notes Payable in the Balance Sheet					
Philippine peso-denominated debt:								
Five-year fixed rate corporate note		4,528,412,954		23,615,251		4,554,028,205		
Seven-year fixed rate corporate note		17,420,796		1,416,603,631		1,434,024,427		
Missionary Sisters of Immaculate Heart of Mary	11,214,392					11,214,392		
Stella Maris College	11,027,210					11,027,210		
Pag Asa Human Development Foundation Inc.	8,053,433					8,053,433		
St. Louis School Inc.	3,518,093					3,518,093		
PERA Fund	21,009,051					21,009,051		
St. Augustine School Inc.	7,469,547					7,469,547		
PETER T NG OR JOSEPHINE NG LO	9,748,345					9,748,345		
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA								
NUMBER 030180008459	9,748,345					9,748,345		
SHINHAN BANK MANILA BRANCH		12,834,316				12,834,316		
MBTC TBG AS TRUSTEE FOR TA NO 10650002612	14,525,035					14,525,035		
MBTC TBG AS TRUSTEE FOR TA NO 10640568510	15,109,935					15,109,935		
MBTC TBG AS IM FOR IMA NO 30300000618	9,748,345					9,748,345		
MBTC TBG AS IM FOR IMA NO 30110012409	11,698,014					11,698,014		
MBTC TBG AS IM FOR IMA NO 30110009719	7,603,709					7,603,709		
MBTC TBG AS IM FOR IMA NO 30110026009	22,616,161					22,616,161		
MBTC TBG AS IM FOR IMA NO 30110010419	4,874,173					4,874,173		
MBTC TBG AS IM FOR IMA NO 30110010819	9,260,928					9,260,928		
MBTC TBG AS IM FOR IMA NO 30110012409	13,745,167					13,745,167		
MBTC TBG AS IM FOR IMA NO 30110010519	19,496,691					19,496,691		
MBTC TBG AS IM FOR IMA NO 30110010419	4,874,173					4,874,173		
CSBI TRUST DEPT FAO TA NO 093120000014	4,874,173					4,874,173		
CSBI TRUST DEPT FAO TA NO 093120000205	4,874,173					4,874,173		
JULIAAN MULIE FOUNDATION INC	3,899,338					3,899,338		
PETER HENRIK NG	974,835					974,835		
ANTILLIA RESOURCES CORPORATION	974,835					974,835		
MAY BANK PHILIPPINES INCORPORATED	41,138,017					41,138,017		
AGBAY MARIA KATHERINE A	487,417					487,417		

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
 Schedule E: Long Term Debt
 For the Year Ended December 31,2019

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
CRISTOBAL MARILOU COR CRISTOBAL OSCAR A ROXAS SOL ELIZAH T	2,144,636 2,924,504				2,144,636 2,924,504
MULTINATIONAL INVESTMENT BANCORPORATION	19,496,691				19,496,691
NAVARRO MARIA TERESITA M	487,417				487,417
NAVARRO MARIA TERESITA M	487,417				487,417
GUILLARTE DANTE D	1,949,669				1,949,669
LAPERAL GERARDO OLIVERIO V	1,462,252				1,462,252
QUIAMBAO CECILIA CRISTINA G OR QUIAMBAO MIKAELA G TAN MARIMIL G OR QUIAMBAO CARLO ISAIAH G PUZON MIGUEL Y	2,437,086 2,437,086 487,417				2,437,086 2,437,086 487,417
SIVARAMAN RAMASWAMI K	1,949,669				1,949,669
CSBT TRUST DEPT FAO TA No 093160000546	487,417				487,417
CSBT TRUST DEPT FAO TA No 093160000065	2,437,086				2,437,086
CSBT TRUST DEPT FAO TA No 093120000296	1,267,285				1,267,285
CSBT TRUST DEPT FAO TA No 093120000168	877,351				877,351
CSBT TRUST DEPT FAO TA No 093120000621	974,835				974,835
CSBT TRUST DEPT FAO TA No 093200000802	1,949,669				1,949,669
PETER T NG OR JENNY K NG	9,748,345				9,748,345
SHINHAN BANK MANILA BRANCH	121,854,316				121,854,316
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000226	1,072,318				1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008305	1,072,318				1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008127	1,072,318				1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008400	2,437,086				2,437,086
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008399	1,072,318				1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008425	1,072,318				1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008241	19,496,691				19,496,691

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
 Schedule E: Long Term Debt
 For the Year Ended December 31,2019

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008314		5,361,590			5,361,590
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008458		10,235,763			10,235,763
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008454		1,072,318			1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008318		1,072,318			1,072,318
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030310004497		1,072,318			1,072,318
MBTC TBG AS IM FOR IMA NO 30110010619		9,748,345			9,748,345
MBTC TBG AS IM FOR IMA NO 30110009019		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 30110009319		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 30110009419		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 30110009519		8,968,478			8,968,478
MBTC TBG AS IM FOR IMA NO 30110009619		9,748,345			9,748,345
MBTC TBG AS TRUSTEE FOR TA NO 10650001919		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 30110009819		13,647,683			13,647,683
MBTC TBG AS IM FOR IMA NO 30110009919		9,748,345			9,748,345
MBTC TBG AS TRUSTEE FOR TA NO 10650008612		9,748,345			9,748,345
MBTC TBG AS IM FOR IMA NO 30300000618		19,496,691			19,496,691
MBTC TBG AS IM FOR IMA NO 30110007210		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 30110010119		4,874,173			4,874,173
MBTC TBG AS IM FOR IMA NO 301100119409		6,336,424			6,336,424
MBTC TBG AS IM FOR IMA NO 30110020117		5,849,007			5,849,007
MBTC TBG AS IM FOR IMA NO 30110001917		5,849,007			5,849,007
MBTC TBG AS TRUSTEE FOR TA NO 10650010309		14,622,518			14,622,518
MBTC TBG AS IM FOR IMA NO 30110012409		23,396,029			23,396,029
MBTC TBG AS IM FOR IMA NO 30120010512		9,748,345			9,748,345
MBTC TBG AS TRUSTEE FOR TA NO 10640967710		4,874,173			4,874,173
MBTC TBG AS TRUSTEE FOR TA NO 10650008411		24,370,863			24,370,863
MBTC TBG AS TRUSTEE FOR TA NO 10640361304		9,748,345			9,748,345
MBTC TBG AS TRUSTEE FOR TA NO 10640952509		4,874,173			4,874,173
MBTC TBG AS TRUSTEE FOR TA NO 10650017111		974,835			974,835

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
 Schedule E: Long Term Debt
 For the Year Ended December 31,2019

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet		Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
			Short Term	Long-Term		
MBTC TBG AS TRUSTEE FOR TA NO 10650020912		2,047,153				2,047,153
MBTC TBG AS IM FOR IMA NO 30110026099		48,741,727				48,741,727
MBTC TBG AS IM FOR IMA NO 30110010319		4,874,173				4,874,173
MBTC TBG AS IM FOR IMA NO 30110010219		4,874,173				4,874,173
MBTC TBG AS IM FOR IMA NO 30110008719		6,823,842				6,823,842
SUN SAVINGS BANK INC		9,748,345				9,748,345
CSBT TRUST DEPT FAO TA No 093120000151		779,868				779,868
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030005000005		24,370,863				24,370,863
Marilou C. Crisobal		1,966,826				1,966,826
Susan Lagdiameo or Cayetano Lagdiameo		983,413				983,413
Renato Anel or Corazon VL Anel or Rico Carlo Anel		1,966,826				1,966,826
Renato L. Anel or Cynthia L. Anel		983,413				983,413
Annila Resources Corp.		983,413				983,413
Franciscan Missionaries of Mary (SMC Oroquieta)		4,228,675				4,228,675
c/o 10		1,475,119				1,475,119
Victoria Jardilin or Dinah Bitong et al		5,605,454				5,605,454
Markel Reach		22,618,497				22,618,497
Miguel Puzon		491,706				491,706
Beatriz R. Gobencion		983,413				983,413
CIO 78		983,413				983,413
Robinsons Bank Trust and Investment Group		7,965,644				7,965,644
Robinsons Bank Trust and Investment Group		24,585,322				24,585,322
Rico CL Anel or Corazon VL Anel		1,966,826				1,966,826
Franciscan Missionaries of Mary		1,868,485				1,868,485
Franciscan Missionaries of Mary		2,458,532				2,458,532
MBTC		12,981,050				12,981,050
MIB		1,278,437				1,278,437
CHC's Subsidiaries						
<i>Mapalad Power Corporation</i>						
90days peso denominated fixed rate debt		50,000,000				50,000,000
ATEC's Subsidiaries						
<i>Sarangani Energy Corporation</i>						

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
 Schedule E: Long Term Debt
 For the Year Ended December 31,2019

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Notes Payable in the Balance Sheet	Short Term	Current Portion of Long-Term Debt in the Balance Sheet	Noncurrent Portion of Long-Term Debt in the Balance Sheet	Total Long Term Debt
Thirteen and a half year peso denominated debt floating rate debt - SEC 1				813,624,983	6,205,515,723	7,019,140,706
Ten and a half year peso denominated floating rate debt - SEC 2				411,106,911	9,881,194,454	10,292,301,365
30days term peso denominated fixed rate debt			645,000,000			645,000,000
	112,291,726	1,618,725,542		5,770,565,644	17,528,929,060	25,030,511,972

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Supplementary Schedules

Schedule F: Indebtedness to related parties

Company	Beginning Balance	Interest Rate	Term	Maturity	Ending Balance
Parent Company					

-	-	-	-	-	-

Schedule H: Capital Stock

Title of Issue (2)	Total Authorized Number of Shares	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options	Number of shares Held by Affiliates	Number of Shares Held by Directors, Officers and Employees	Others
Common	11,945,000,000	6,291,500,000	None	5,031,047,697	600,307	1,259,851,996
Preferred	5,500,000,000	5,500,000,000		5,500,000,000		
	17,445,000,000	11,791,500,000		10,531,047,697	600,307	1,259,851,996

Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2018.

- 1) Indicate in a note any significant changes since the date of the last balance sheet filed.
- 2) Include in this column each type of issue authorized.
- 3) Affiliates referred to include affiliates for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.

ALSONS CONSOLIDATED RESOURCES, INC.
Schedule I: Computation of Public Ownership as of December 31,2019

			Number of Shares	
	% to Total I/O Shares		% to Total I/O Shares	Preferred
	Common			
Number of Shares Issued and Outstanding			6,291,500,000	5,500,000,000
DIRECTORS:				
TOMAS I. ALCANTARA	0.0000%		1	
EDITHA I. ALCANTARA	0.0016%	100,000		
ALEJANDRO I. ALCANTARA	0.0000%		1	
ARTURO B. DIAGO JR.	0.0000%		1	
TIRSO G. SANTILLAN JR.	0.0000%		1	
RAMON T. DIOKNO	0.0000%		1	
CONRAD CO. ALCANTARA	0.0000%		1	
HONORIO A. POBLADOR III	0.0000%		100	
JACINTO C. GAVINO JR.	0.0000%		1	
JOSE BEN R. LARAYA	0.0000%		100	
THOMAS G. AQUINO	0.0000%		100	
SUB - TOTAL	0.0016%	100,307		
OFFICERS:				
TOMAS I. ALCANTARA	PRESIDENT	0.0000%	-	
TIRSO G. SANTILLAN JR.	EXEC. VICE PRESIDENT	0.0000%	-	
EDITHA I. ALCANTARA	TREASURER	0.0000%	-	
ROBERT F. YENKO	CHIEF FINANCIAL OFFICE	0.0000%	-	
ROBERTO SAN JOSE	CORPORATE SECRETARY	0.0080%	500,000	
ANGEL M. ESGUERRA III	ASST. CORPORATE SECRI	0.0000%	-	
SUB - TOTAL	0.0080%	500,000		
PRINCIPAL STOCKHOLDERS:				
ALSONS CORPORATION	41.2100%	2,592,524,072	100%	5,500,000,000
ALSONS POWER HOLDINGS CORP.	19.8700%	1,249,999,599		
ALSONS DEV'T & INVESTMENT CORP.	18.8900%	1,188,524,026		
SUB - TOTAL	79.9700%	5,031,047,697		5,500,000,000
TOTAL SHARES HELD BY DIRECTORS, OFFICERS, PRINCIPAL STOCKHOLDERS & AFFILIATES	79.9796%	5,031,648,004	100%	5,500,000,000
TOTAL NUMBER OF SHARES OWNED BY THE PUBLIC	20.0204%	1,259,851,996		

ALSONS CONSOLIDATED RESOURCES, INC.

2286 Chino Roces Ave., Makati City

Schedule of Retained Earnings Available for Dividend Declaration

12/31/19

*Figures based on
Parent Company
Audited Financial
Statements)*

Unappropriated Retained Earnings, beginning	₱182,722,660
Add: <i>Adjustment from Appropriated to Unappropriated</i>	200,000,000
Less: Net loss incurred during the year	(160,644,770)
Dividends declared during the year	(130,230,000)
Retained Earnings Available for dividends declaration as at December 31,2019	<u>₱91,847,890</u>

Note: In accordance with SEC Financial Reporting Bulletin No. 14, the reconciliation is based on the separate/parent company financial statements of Alsons Consolidated Resources, Inc.

Schedule K. Capital Stock (1)

Title of Issue (2)	Shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, at shown under related balance sheet caption	Number of shares held by affiliates Warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common	1,1945,000,000	6,291,500,000	-	None	5,031,047,698	600,406	1,259,851,896
Preferred	5,500,000,000	-	-	-	-	-	-

The features of the preferred shares were discussed in Note 22 of the Financial Statements

Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2018.

- 1) Indicate in a note any significant changes since the date of the last balance sheet filed.
- 2) Include in this column each type of issue authorized.
- 3) Affiliates referred to include affiliates for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.

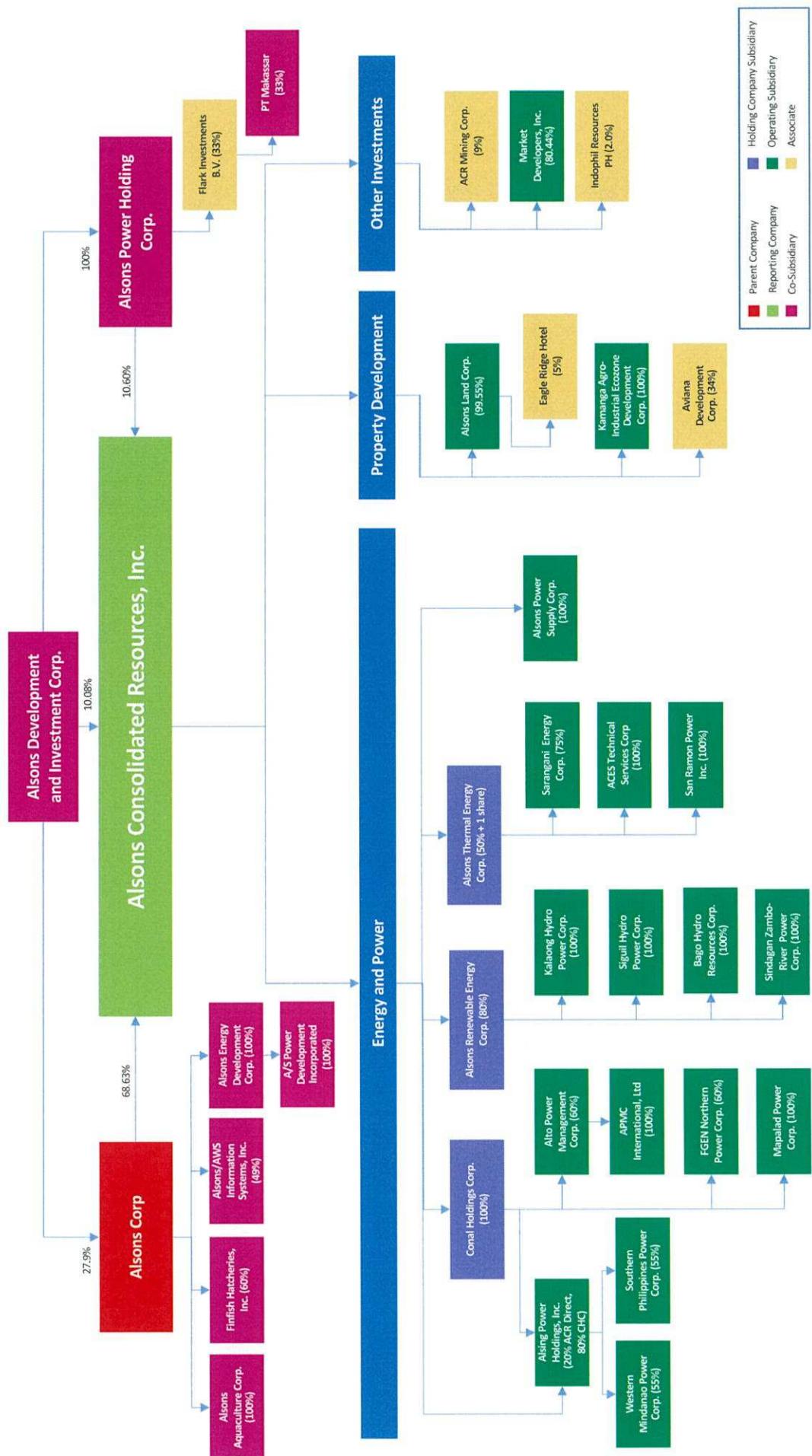


EXHIBIT 3

ADDITIONAL SCHEDULES/ BREAKDOWN OF ACCOUNTS

DECEMBER 31, 2019

Additional Schedules
Balance Sheet

1. Accounts Receivable: Breakdown of Accounts Receivable as of December 31, 2019

Accounts Receivable – Trade	₱1,725,649,160
Advances to Affiliates / Joint Ventures	1,472,764,171
Retention Receivable	24,455,481
<i>Accounts Receivable – Others:</i>	
Advances to contractors and suppliers	4,289,794
Advances to officers and employees	17,271,177
Advances for Business expenses	2,187,147
Miscellaneous and other Receivables	16,947,250
Total Accounts Receivable	3,263,564,180
Less: Allowance for doubtful accounts	(83,435,820)
Accounts Receivable – Net	₱3,180,128,360

2. Prepaid Expenses and Other Current Assets as of December 31, 2019

Deposits in Interest Reserved Accounts	₱968,735,875
Input Tax	4,899,455
Creditable Withholding Tax	242,339,158
Other Prepayments	172,220,990
	₱1,388,195,478

3. Accounts Payable and Accrued Expenses as of December 31, 2019

Accounts payable	₱2,624,697,461
Accrued expense	807,102,864
Interest payable	316,267,945
Dividends payable	144,000,000
Output tax and withholding tax payable	217,256,721
Retention payable	102,775,438
Contract liability	26,432,000
Advances from customers	30,508,363
Current portion of lease liability	11,008,135
Other current liabilities	200,601,862
Total Accounts Payable & Accrued Expenses	₱4,480,650,789

Income Statement

1. Breakdown of Revenues and Cost of Goods Sold and Services (December 31,2019)

	Revenues		Cost	
	Continuing	Discontinued	Continuing	Discontinued
Real Estate	₱2,806,925		₱3,198,806	
Services	6,793,289,173		4,236,965,190	
Total	₱6,796,096,098	₱0	₱4,240,163,996	₱0

2. Operating and Administrative Expenses for the year ending December 31, 2019

	Continuing	Discontinued
Personnel costs	₱213,161,127	
Outside services	71,456,162	
Depreciation and amortization	70,960,864	
Taxes and licenses	59,629,323	
Marketing expense	42,596,992	
Transportation and travel	25,567,750	
Utilities	15,722,075	
Directors and executive fees and bonuses	5,331,445	
Customer relations	4,778,474	
Supplies	4,114,859	
Telephone, telegraph and postage	4,108,967	
Representation	1,576,682	
Insurance	956,697	
Commissions	185,000	
Others	77,744,982	
Total	₱597,891,399	₱0

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

Financial KPI	Definition	Years Ended December 31	
		2019	2018
Liquidity	Current Assets	0.73:1	1.42:1
	Current Liabilities		
Solvency	Long-term debt (net of unamortized transaction costs)+Loans Payable (Equity attributable to Parent)	2.82:1	2.62:1
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes and Depreciation	3.02:1	2.48:1
	Interest Expense		
Profitability Ratio	Net Income	7%	4%
	Stockholders' Equity		
Asset-to-Equity Ratio	Total Assets	3.07	3.0:1
	Total Equity		

EXHIBIT 4

SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc. had the following consolidated subsidiaries as of December 31, 2019:

<u>Name</u>	<u>Jurisdiction</u>	Percentage of Ownership			
		2019		2018	
Subsidiaries	Nature of business	Direct	Indirect	Direct	Indirect
Alsons Land Corporation	Philippines				
Conal Holdings Corp.	Philippines				
Alsons Thermal Energy Coro.	Philippines				
Alsons Renewable Energy Corp.	Philippines				
Alsons Thermal Energy Corporation (ATEC)	Investment holding	50.00*	—	50.00*	—
Sarangani Energy Corporation (Sarangani)	Power generation	—	37.50	—	37.50
ACES Technical Services Corporation (ACES)	Management services	—	50.00	—	50.00
San Ramon Power Inc. (SRPI)	Power generation	—	50.00	—	50.00
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	100.00	—
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	—	55.00	—	55.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
FGen Northern Power Corp. (FGNPC)	Power generation	—	60.00	—	60.00
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	—	80.00	—
Siguil Hydro Power Corporation (Siguil)	Power generation	—	80.00	—	80.00
Kalaong Power Corporation (Kalaong)	Power generation	—	80.00	—	80.00
Bago Hydro Resources Corporation (Bago)	Power generation	—	80.00	—	—
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	—
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
Alsons Land Corporation (ALC)	Real estate	99.55	—	99.55	—
MADE (Markets Developers), Inc. (MADE)	Distribution	80.44	—	80.44	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	—	100.00	—
Alsons Power Supply Corporation (APSC)	Customer service	100.00	—	100.00	—

*50% ownership interest plus 1 share of the voting and total outstanding capital stock.

**Alsons Consolidated Resources, Inc.
and Subsidiaries**

**Reports on SEC Form 17-C filed during
the Year Ended December 31, 2019**

Alsons Consolidated Resources, Inc.
SEC Form 17-C

Summary of Disclosures filed to the Office of the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) during the year ended *31 December 2019*:

Date Filed	Description
10 January 2019	An Advisory on the Attendance of the Board of Directors at 2018 Board Meetings.
22 March 2019	An advisory on the results of the Board of Directors meeting for the approval of the Audited Financial Statements of the Company; on setting the date of the Annual Stockholders' Meeting of the Company on May 30, 2019 and the record date on April 5, 2019; and a press statement of the Company entitled "ACR post significant net earnings growth".
12 April 2019	A Press Release of the Company entitled "Alsons announces key appointments" on the appointment of Editha I. Alcantara as Vice-Chair and Tirso G. Santillan as acting Chief Executive Officer (CEO) of Alsons Consolidated Resources, Inc.
15 April 2019	Submission of Certification of Independent Directors
15 April 2019	Signatories for Company's Statement of Management Responsibility for its Audited Financial Statements.
21 May 2019	A Press Release of the Company entitled "Alsons posts first quarter net earnings growth".
30 May 2019	The Board of Directors approved the declaration of a cash dividend in the amount of P0.02 per share out of the unrestricted retained earnings of the Corporation as of 31 December 2018, in favor of the common stockholders of record as of June 30, 2019 and payable on July 24, 2019; and distributed a cash dividend in the amount of P0.0008 per share out of the unrestricted retained earnings of the Corporation as of 31 December 2018 in favor of the holder of the preferred voting shares as of June 30, 2019 and payable on July 24, 2019.
31 May 2019	Disclosure on the submission of the New Integrated Annual Corporate Governance Report (SEC Form I-ACGR) for the year 2018, in compliance with the SEC Memorandum Circular No. 15, Series of 2017.
31 May 2019	Disclosure on the Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on 30 May 2018 at New World Makati Hotel.
3 June 2019	A reply to the PSE query on the news articles entitled "Alsons Lists first hydro power project in P21-B spending program" posted in the Philippines Star online on June 11, 2019 confirming the contents of the article.
11 June 2019	A reply to the PSE query on the news articles entitled "Alsons pledges \$650M investments in RE" posted in the Inquirer.net on February 23, 2016 confirming the contents of the article.
14 August 2019	A Press Statement of the Company entitled "ACR Net Income surges to P293M in first half"
2 October 2019	ACR Materials Related Party Transaction Policy, pursuant to SEC Memo Circular No. 10 Series of 2019 .
29 October 2019	A Press Release entitled "Alsons maintains A Plus (Corp) Issuer Credit Rating"
14 November 2019	A Press Release entitled "ACR 9-month 2019 Net Income Rises to Php587M"



111152019000706



SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines

Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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SEC Registration No. 0000059366

Company Name ALSONS CONSOLIDATED RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 111152019000706

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered November 14, 2019

No. of Days Late 0

Department CFD

Remarks

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)

Nov 14, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412-000

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

02-8982-3000

9. Former name or former address, if changed since last report

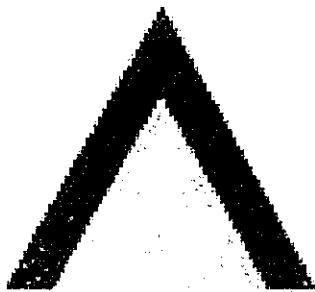
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK PHP1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

ACR 9-MONTH 2019 NET INCOME RISES TO PHP587M.

Background/Description of the Disclosure

Please see attached

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

14 November 2019

Securities and Exchange Commission

Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.

Attn.: Atty. Marie Rose M. Magallen-Lirio
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:
"ACR 9-month Net Income Rises to ₱587M."

We trust that you will find the foregoing in order.

Very truly yours,


ANGEL M. ESGUERRA, III
Corporate Information Officer &
Assistant Corporate Secretary

PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

ACR 9-month 2019 net income rises to ₱587M

Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group – posted consolidated net earnings of ₱ 587.7 million in the first three quarters 2019 - a significant increase from ₱ 197.39 million in consolidated net earnings from the same period last year.

Consolidated net earnings for the third quarter of 2019 also rose considerably to ₱ 294.62 million from ₱77.09 million in the third quarter of 2018.

The first nine months of 2019 saw ACR's net earnings attributable to the parent grow to ₱54.94 million from a net loss of ₱ 137.33 million in 2018. Attributable net earnings for the third quarter of this year rose to ₱31.55 million from a ₱41.58 million net loss in the third quarter of 2018.

ACR's third quarter revenues for 2019 increased to ₱1.57 billion from ₱1.54 billion the previous year, but revenues in the first three quarters of 2019 were slightly down to ₱4.67 billion from ₱5.02 billion for the same period in 2018.

Operations of the first 105-megawatt (MW) section of ACR's 210 MW Sarangani Energy Corporation (SEC) coal-fired baseload power plant continue to be the key revenue and income driver for ACR. The SEC plant's first section began operating in April 2016, and currently delivers power to more than three million people in the General Santos-Sarangani area, and other parts of Mindanao.

The second 105-MW section of SEC (SEC 2) began commercial operations in October of 2019. SEC 2 currently provides another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao.

ACR – the first private sector power generator in Mindanao – has also commenced civil works on the ₱4.25-billion 14.5 MW run-of-river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province. The project is ACR's initial entry into renewable energy and will provide additional power to the General Santos/Sarangani region when it begins operations in 2022.

President Rodrigo Duterte will be the guest of honor at an event for the ceremonial switch-on of SEC 2 and the launch of civil works for the Siguil Hydro Power before the end of this year.

Another project in ACR's pipeline is the 105-MW San Ramon Power, Inc. (SRPI) baseload coal-fired power plant in Zamboanga City, which is slated to begin operations in 2023. SRPI will soon select the plant's engineering procurement and construction contractor.

Apart from power generation, ACR is also engaged in property development. The company is in partnership with Ayala Land, Inc. in the development of Azuela Cove, a 27-hectare township project in Davao City. The first two Ayala Land Premier towers are currently under construction with initial turnover expected in the first quarter of 2023.

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110302019001431



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines

Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

SEC Registration No. 0000059366

Company Name ALSONS CONSOLIDATED RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 110302019001431

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered October 29, 2019

No. of Days Late 0

Department CFD

Remarks

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
Oct 29, 2019
2. SEC Identification Number
59366
3. BIR Tax Identification No.
001-748-412
4. Exact name of issuer as specified in its charter
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
Postal Code
1231

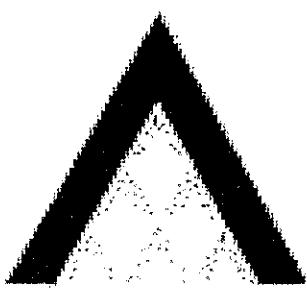
8. Issuer's telephone number, including area code
(632) 8982-3000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate

disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

ALSONS MAINTAINS A PLUS (CORP.) ISSUER CREDIT RATING

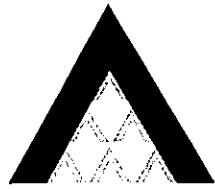
Background/Description of the Disclosure

please see attached.

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.
(Listed In the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

29 October 2019

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.

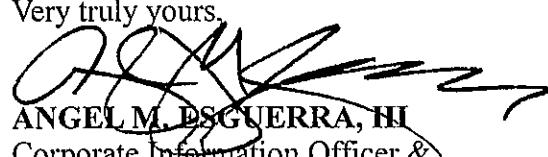
Attn.: Atty. Marie Rose M. Magallen-Lirio
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Maintains A plus (corp.) Issuer Credit Rating."

We trust that you will find the foregoing in order.

Very truly yours,


ANGEL M. ESGUERRA, III
Corporate Information Officer &
Assistant Corporate Secretary

Encl/
legal PSE-SEC17-C2019



Alsons Consolidated Resources, Inc.

Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.
psagun@alcantaragroup.com (02) 982 3027

Alsons Maintains A plus (corp.) Issuer Credit Rating

Alsons Consolidated Resources, Inc. (ACR), the publicly-listed company of the Alcantara Group, was once again assigned a "PRS A plus (corp.) with a Stable Outlook" issuer credit rating by Philippine Rating Services Corporation (PhilRatings). This is in relation to the first tranche (₱1.5 billion) of the Company's Commercial Papers (CPs) Program of up to ₱2.5 billion that it registered with the Securities and Exchange Commission (SEC) in 2018.

According to PhilRatings, a PRS A plus (corp.) rating means that the Company has an above-average capacity to meet its financial commitments relative to other Philippine corporates. Among the factors cited by PhilRatings as basis for the rating were "the positive growth prospects for Mindanao which will bring about an increasing demand for power," and ACR's "ability to establish joint ventures with strong partners for particular projects." The "Stable Outlook" given to ACR is assigned when a rating is likely to be maintained or to remain unchanged in the next twelve months.

ACR recently began commercial operations of the second 105-megawatt (MW) section of the Company's 210-MW Sarangani Energy Corporation (SEC) baseload coal-fired power plant in Maasim Sarangani. The US\$570 million SEC power plant is the single largest power investment in Sarangani Province and the entire Region 12.

ACR has also begun preliminary work on a ₱4.5 billion 14.5 megawatt (MW) run-of-river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province. The Siguil Hydro power plant is expected to begin commercial operations in 2022 and will provide power to Sarangani Province, General Santos City and key municipalities of South Cotabato.

The Siguil Hydro power plant, ACR's initial foray in the renewable energy sphere will be the first of eight run-of-river hydro power facilities that the Company plans to develop in Zamboanga del Norte, other areas in Mindanao, and Negros Occidental in Western Visayas.

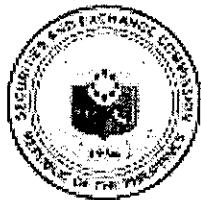
ACR currently operates four power facilities in Mindanao generating a combined capacity of 468 MW serving over eight million people in 13 cities and eight provinces including key urban centers such as Davao City, Cagayan de Oro, General Santos, Iligan, and Zamboanga City.

The Alcantara Group, through its other subsidiaries aside from ACR, is also engaged in aquaculture and agribusiness, property development and services. It has been an active player in the economic development of Mindanao and the rest of the Philippines for over 60 years.

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SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Company Representative

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Company Information

SEC Registration No. 0000059366

Company Name ALSONS CONSOLIDATED RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 110082019000658

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered October 07, 2019

No. of Days Late 0

Department CFD

Remarks

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
Oct 7, 2019
2. SEC Identification Number
59366
3. BIR Tax Identification No.
001-748-412
4. Exact name of issuer as specified in its charter
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
Postal Code
1231
8. Issuer's telephone number, including area code
(632) 8982-3000
9. Former name or former address, if changed since last report
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00/PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein
Item 9-Other Events

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.





Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-6 - Change in Corporate Contact Details and/or Website

*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Change in Corporate Contact Details of Alsons Consolidated Resources, Inc. (ACR)

Background/Description of the Disclosure

In compliance with the National Telecommunications Commission's (NTC) directive on migration to 8-digit telephone numbers of telecommunication providers, please be advised that the new telephone and fax numbers of ACR effective today, October 7, 2019, will be (632) 8982-3000 and (632) 8982-3077, respectively.

Old Business Address -

New Business Address -

Old Contact Details

Telephone Numbers (632) 982-3000

Fax Numbers (632) 982-3077

E-mail Address -

New Contact Details

Telephone Numbers (632) 8982-3000

Fax Numbers (632) 8982-3077

E-mail Address -

Old Company Website -

New Company Website -

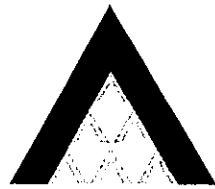
Effective Date Oct 7, 2019

Other Relevant Information

Please see attached formal letter.

Filed on behalf by:

Name Jose Saldivar, Jr.
Designation Finance Manager



Alsons Consolidated Resources, Inc.
(Listed In the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 7, 2019

Securities & Exchange Commission
Attn: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.
Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : **Change in Corporate Contact Details**

Ladies and Gentlemen:

Please be informed that starting October 6, 2019, the contact number of ALSONS CONSOLIDATED RESOURCES, INC. will be updated to (632) 8982-3000 and the corporate fax number will be updated to (632) 8982-3077.

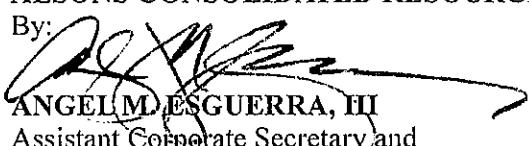
This is in compliance with the directive of the National Telecommunications Commissions that all telecom providers in the Greater Metro Manila area will migrate all existing 7-digit landline numbers to 8-digit telephone numbers

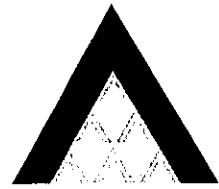
Thank you.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:


ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Corporate Compliance-Officer



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

October 7, 2019

via electronic mail

Philippine Dealing & Exchange Corp.

Attn.: Atty. Joseph B. Evangelista

Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : **Material Related Party Transaction Policy**

Gentlemen:

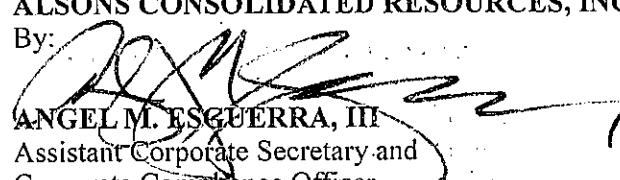
In compliance with the SEC Memorandum Circular No. 10, Series of 2019, we are submitting herewith the **Material Related Party Transactions (RPT) Policy** of Alsons Consolidated Resources, Inc. (ACR) duly received by the Securities and Exchange Commissions' office dated October 4, 2019.

For your information and reference..

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:


ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer



110042019000203



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines

Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Receipt Date and Time : October 04, 2019 10:28:12 AM

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Company Representative

Doc Source

Company Information

SEC Registration No. 0000059366

Company Name ALSONS CONSOLIDATED RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 110042019000203

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered September 24, 2019

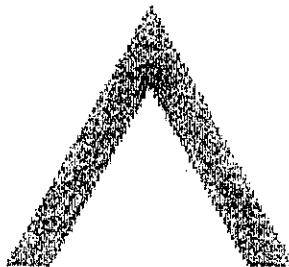
No. of Days Late 0

Department CFD

Remarks

CR05874-2019

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type MATERIAL RELATED PARTY TRANSACTION POLICY

Report Period/Report Date Sep 24, 2019

Description of the Disclosure

ALSONS CONSOLIDATED RESOURCES, INC. - MATERIAL RELATED PARTY TRANSACTION POLICY

Filed on behalf by:

Name Jose Saldivar, Jr.

Designation Finance Manager

MATERIAL RELATED PARTY TRANSACTIONS POLICY

Policy Statement

Pursuant to Securities & Exchange Commission (“S.E.C.” or the “Commission”) Memorandum Circular No. 10, Series of 2019 (the “Circular”), and the Rules on Material Related Party Transactions for Publicly-Listed Companies attached to the Circular (the “Rules”), the Board of Directors of Alsons Consolidated Resources, Inc. (“ACR” or the “Company”) hereby adopts this group-wide Material Related Party Transaction Policy (this “Policy”) encompassing all corporations that are wholly-owned, or majority-owned, directly or indirectly, by the Company.

Section 1. Definition of Terms

For the purposes of this Policy, the following definitions shall apply:

“**Abusive Material Related Party Transactions**” shall mean Material Related Party Transactions that are not entered at arm’s length and unduly favor a Related Party.

“**Advisement Report**” shall mean the report described in this Policy, Section 4.1 (b), the Rules, and the Circular.

“**Affiliate**” shall mean an entity linked directly or indirectly to the Company through any one or a combination of any of the following: (i) ownership, control, or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts, by a Company of at least ten percent (10%) or more of the outstanding voting stock of the Company, or vice-versa; (ii) interlocking directorship or officers, except in cases involving independent Directors as defined under existing regulations; (iii) common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or (iv) management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the entity, or vice-versa.

“**Associate**” shall mean an entity over which the Company holds twenty percent (20%) or more of the voting power, directly or indirectly, or which the Company has significant influence.

“**Audit, Risk and Compliance System**” shall mean the system that is able to: (i) define the Related Parties’ extent of relationship with the Company; (ii) assess situations in which a non-Related Party (with whom a Company has entered into a transaction) subsequently becomes a Related Party and vice versa; (iii) generate information on the nature and amount of exposures of the Company to a particular Related Party; (iv) facilitate submission of accurate reports to the regulators/supervisors.

“**Board**” shall mean the Board of Directors of the Company.

“**Control**” shall mean having all of the following: (i) power over the Company; (ii) exposure, or rights, to variable returns from involvement with the Company; and the ability to use such power over the Company to affect the amount of the Company’s returns.

“**Material Changes in the Terms and Conditions**” shall mean changes in the price, interest rate, maturity date, payment terms, commissions, fees, tenor, and collateral requirement of the Material Related Party Transaction.

“**Material Related Party Transaction**” shall mean any individual Related Party Transaction, or series of Related Party Transactions over twelve (12) months, and with the same Related Party, amounting to, or exceeding, individually, or in the aggregate, the Materiality Threshold.

“**Materiality Threshold**” shall mean ten percent (10%) of the total assets of any of the parties to a transaction, based on that party’s latest audited financial statements, and if the transaction is a material Related Party Transaction, and one of the Related Parties is a parent of the other, the total assets shall pertain to the parent’s total consolidated assets.

“**Related Party**” shall mean each of ACR’s directors, officers, Substantial Shareholders, and their spouses, and their relatives within the fourth civil degree of consanguinity or affinity, legitimate or “common-law”, if any of these persons have control, joint control or significant influence over the Company, or each of ACR’s parents, subsidiaries, fellow subsidiaries, Associates, Affiliates, or joint ventures, or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party.

“Related Party Registry” shall mean the record of the organizational and structural composition, including any change thereon, of the Company and its Related Parties.

“Related Party Transaction” shall mean a transfer of resources, services, or obligations between the Company and a Related Party, regardless of whether a price is charged, including, an outstanding transaction that is entered into with an unrelated party that subsequently becomes a Related Party.

“Significant Influence” shall mean the power to participate in the financial and operating Policy decisions of the Company, but having no control, or joint control, of those policies.

“Substantial Shareholder” shall any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of ACR’s equity security.

“Summary” shall mean the summary of Material Related Party Transactions described in this Policy, Section 4.1 (a), the Rules, and the Circular.

Section 2. Duties and Responsibilities; Systems

2.1 *Board of Directors*

The Board shall ensure that the Company handles all Related Party Transactions in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of the Company’s shareholders and other stakeholders. To this end, the Board shall –

- (a) Institutionalize an overarching Policy on the management of Material Related Party Transactions to ensure effective compliance with existing laws, rules, and regulations at all times, and that Material Related Party Transactions are conducted on an arm’s length basis, and that no shareholder or stakeholder is unduly disadvantaged;
- (b) Approve all Material Related Party Transactions that cross the Materiality Threshold, and any renewal, or Material Changes in the Terms and Conditions, of Material Related Party Transactions previously approved in accordance with the Rules, Section 3 (f);
- (c) Establish an effective Audit, Risk and Compliance System to: (a) determine, identify and monitor Related Parties, and Material Related Party Transactions; (b) continuously review and evaluate existing relationships between and among businesses and counterparties; and (c) identify, measure, monitor and control risks arising from Material Related Party Transactions;
- (d) Oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing;
- (e) Ensure that senior management addresses legitimate issues on Material Related Party Transactions that are raised by the stockholders or stakeholders of the Company;
- (f) Be responsible for ensuring that stockholders or stakeholders who raise concerns are protected from detrimental treatment or reprisals.

2.2 *Senior Management*

Senior management shall implement appropriate controls to effectively manage and monitor Material Related Party Transactions on a per transaction and aggregate basis. Exposures to Related Parties shall also be monitored on an on-going basis to ensure compliance with the Company’s Policy and the Commission’s regulations.

2.3 *Systems*

The Audit, Risk, and Compliance System, and any overarching policy on the same, shall be subject to periodic assessment by the internal audit department, and by the compliance officers, and shall be updated regularly for sound implementation. The overarching policy and the said system shall be available to the S.E.C. and audit functions for review. Any change in the Policy and procedure shall be approved by a majority of the Board, and by a majority of the stockholders constituting a quorum.

Section 3. Policy Specifics

3.1 Identification of Related Parties

- (a) As set forth in the Definition of Terms, this Policy clearly identifies the persons and companies that are considered as the Company's Related Parties.
- (b) Every quarter, the Company's Management and Board will review and update the Related Party Registry to capture organizational and structural changes in the Company and its Related Parties.

3.2 Coverage

- (a) This Policy shall cover all Related Party Transactions, each of which – by definition – meet the Materiality Threshold.
- (b) A transaction that meets the Materiality Threshold, but is entered into with an unrelated party, is excluded from the limits and approval process required in this Policy. If, subsequent to the transaction, the unrelated party becomes a Related Party, the same transaction may be excluded from the limits and approval process required in the Policy. However, if, after the unrelated party becomes a Related Party, the contracting Related Parties alter the terms and conditions, or increase the exposure level, in the said transaction, then the altered transaction shall be subject to this Policy, the Rules, and the Circular.
- (c) As set forth in Rules, Section 3 (b), the prospective treatment of the said transaction shall “be without prejudice to regulatory actions that may be enforced for transactions noted to have not been conducted on an arm’s length basis.”

3.3 Adjusted Threshold

The Company may set the Materiality Threshold a threshold lower than ten percent (10%) of the total assets of any of the parties to a transaction, based on that party's latest audited financial statements, upon determination by the Board that the adjusted threshold would address the risk or risks that a Related Party Transaction would cause damage to the Company and its shareholders. The adjusted threshold, when applicable, shall be contained in the amendment of this Policy.

3.4 Conflicts of Interest

- (a) This Policy seeks to identify and prevent, or management, potential or actual conflicts of interest that may arise out of or in connection with Material Related Party Transactions. Directors and/or officers with personal interest in the transaction shall: (a) fully and timely disclose to the Company any and all material facts, including their respective interests in the Material Related Party Transaction; and (b) abstain from the discussion, approval and management of such transaction or matter affecting the Company.
- (b) In case the transaction is brought to the Board for approval, and the conflicted Director refuses to abstain, his/her attendance shall not be counted for purposes of assessing the quorum, and his/her vote shall not be counted for purposes of determining approval of the Material Related Party Transaction.

3.5 Guidelines to Ensure Arm's Length Terms

- (a) This Policy seeks to establish clear guidelines to ensure that the Company shall treat unrelated parties and Related Parties similarly. Therefore, Related Parties shall receive the same treatment extended by the Company to unrelated parties under similar circumstances.
- (b) Before the Company executes a Material Related Party Transaction, the Board should appoint an external independent party to evaluate the fairness of the terms of the Material Related Party Transaction. An external independent party may include, but is not limited to, auditing/accounting firms and third party consultants and appraisers. The independent evaluation of the fairness of the transparent price ensures the protection of the rights of shareholders and other stakeholders.
- (c) Taking into account the size, structure, risk profile, and complexity of operations of the Company, the Board shall also enact guidelines for an effective price discovery mechanism to ensure that Related Party Transactions are entered into at terms that promote the best interest of the Company and its shareholders. The price discovery mechanism may include, but is not limited to, acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

3.6 Approval of Material Related Party Transactions.

- (a) All individual Material Related Party Transactions shall be approved by at least two-thirds (2/3) vote of the Board, with at least a majority of the independent directors voting to approve the Material Related Party Transaction. In case a majority of the independent directors do not approve the Material Related Party Transaction, stockholders representing at least two-thirds (2/3) of the outstanding capital stock may ratify the Material Related Party Transaction.
- (b) For Related Party Transactions within a twelve-month period that, in the aggregate, breach the Materiality Threshold, the transaction that meets, and exceeds, the Materiality Threshold shall be subject to Section 3.6(a) of this Policy.
- (c) Directors with personal interest in the Related Party Transaction subject to Board approval should abstain from participating in discussions and voting on the same. In case they refuse to abstain, then Section 3.4(b) of this Policy shall apply.

3.7 Self Assessment and Periodic Review

- (a) The internal audit department shall conduct a periodic review of the effectiveness of the Company's system and internal controls governing Material Related Party Transactions to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits, shall be communicated directly to the Audit Committee.
- (b) The Company's Compliance Officer shall ensure that the Company complies with relevant rules and regulations and is informed of regulatory developments in areas affecting Related Parties. He/she shall aid in the review of the Company's transactions and identify any potential Material Related Party Transaction that would require review by the Board. He/she shall ensure that this Policy is kept updated and is properly implemented throughout the Company.

3.8 Disclosure to the Board

- (a) The members of the Board, substantial shareholders, and officers shall fully disclose to the Board all material facts related to Material Related Party Transactions, and their direct and/or indirect financial interest in any transaction or matter that may affect, or is affecting, the Company.
- (b) Such disclosure shall be made at the Board meeting where the Material Related Party Transaction will be presented for approval and before the completion or execution of the Material Related Party Transaction.

3.9 Whistle-Blowing Mechanisms.

- (a) The Company's Whistle-Blowing Policy is hereby incorporated into this Policy to enact effective whistle-blowing mechanisms consistent with the corporate values and codes of conduct set by the Board, pursuant to the Circular, and the Rules.
- (b) With the Company's Whistle-Blowing Policy, all stakeholders are hereby encouraged to communicate to the appropriate officer of the Company, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable Material Related Party Transactions. The mechanisms in the Company's Whistle-Blowing Policy include guidance on how legitimate material concerns should be reported, investigated, and addressed by an objective independent internal or external body, senior management, and/or the Board.

3.10 Remedies for Abusive Material Related Party Transactions

- (a) The relevant officers, or persons appointed by the Board (the "Investigators") shall investigate any Abusive Material Related Party Transaction reported through the Company's Whistle-Blowing Policy, or through any other method.
- (b) The same Investigators shall also determine whether the Company incurred losses or opportunity costs in entering into the Abusive Material Related Party Transaction, and will recommend measures that would cut such losses, and allow recovery of such losses or opportunity costs.

(c) If, after due notice and hearing, the Investigators find that a conflicted Director or officer was directly responsible for the Company entering into Abusive Material Related Party Transaction, which made the Company incur losses or opportunity costs, then the Investigators will recommend a course of action or actions to the Board.

(d) Upon receipt of the Investigators' recommendation, the Board shall take such actions as are authorized under Sections 26 and 27 of the Revised Corporation Code.

(e) The imposition of the penalties under Sections 26 and 27 of the Revised Corporation Code shall be without prejudice to any other administrative penalties that may be imposed by the Commission, and/or civil or criminal penalties, as may be provided by the Revised Corporation Code, Securities Regulation Code, and other related laws.

Section 4. Disclosure and Regulatory Reporting

4.1 Within the periods set forth in the Rules, and the Circular, the Company shall submit the following to the Commission:

- (a) A summary of Material Related Party Transactions (the "Summary") entered into during the reporting year, which shall be disclosed in the Company's Integrated Annual Corporate Governance Report that is submitted annually every May 30th;
- (b) An advisement report of any Material Related Party Transaction (the "Advisement Report") filed by the Company within three (3) calendar days from the execution date of the Material Related Party Transaction. The Advisement Report shall be signed by the reporting Corporate Secretary, or by an authorized representative appointed by the Board.

4.2 At a minimum, the Summary and the Advisement Report shall include the following information:

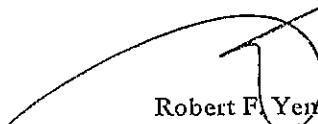
- (i) Complete name of the Related Party;
- (ii) Relationship of the Related Parties;
- (iii) Execution date of the Material Related Party Transaction;
- (iv) Financial or non-financial interest of the Related Parties;
- (v) Type and nature of transaction and description of the assets involved;
- (vi) Total assets (subject to rule on the definition of total assets if one Related Party is the parent of the other);
- (vii) Amount or contract price;
- (viii) Percentage of the contract price to the total assets of the Company;
- (ix) Carrying amount of collateral, if any;
- (x) Terms and conditions;
- (xi) Rationale for entering into the transaction; and
- (xii) The approval obtained (i.e., names of Directors present, name of Directors who approved the Material Related Party Transaction, and the corresponding voting percentage obtained).

Effectivity

This Policy supersedes any and all previous policies concerning Related Party Transactions, and is effective upon approval *SEP 12 2019*

Approved on this day of October 2019


Tomas I. Alcantara
Chairman of the Board of Directors


Robert F. Yerko
Chief Financial Officer and Compliance Officer



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

August 14, 2019

Securities and Exchange Commission

Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex
Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.

Attn.: Atty. Joseph B. Evangelista
Head – Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:
"ACR Net Income Surges to P293M in First Half".

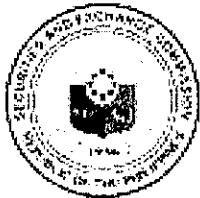
We trust that you will find the foregoing in order.

Very truly yours,


ANGEL M. ESGUERRA, III
Corporate Information Officer &
Assistant Corporate Secretary



108192019000589



SECURITIES AND EXCHANGE COMMISSION

SECBuilding, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

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Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000059366

Company Name ALSONS CONSOLIDATED RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 108192019000589

Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)

Document Code 17-C

Period Covered August 14, 2019

No. of Days Late 0

Department CFD

Remarks



Alsons Consolidated Resources, Inc.

PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

ACR net income surges to P293M in first half

Alsons Consolidated Resources Inc., (ACR) – the publicly listed company of the Alcantara Group – gained significant growth in consolidated net income during the first half of 2019. ACR posted consolidated net earnings of ₱ 293.08 million for the first half of this year from ₱ 120.30 million in the first half of 2018.

Consolidated net earnings for the second quarter of 2019 also jumped to ₱ 188.72 million from ₱ 17.16 million in the same period last year.

Net earnings attributable to the parent for the first six months of 2019 climbed to ₱ 23.38 million from a net loss of ₱ 95.74 million in 2018. Attributable net earnings for the second quarter of this year rose to ₱ 17.27 million from a ₱ 75.99 million net loss in the second quarter of 2018.

ACR's second quarter revenues for 2019 increased to ₱ 1.87 billion from ₱ 1.81 billion the previous year but first half revenues for 2019 were slightly down to ₱ 3.10 billion from ₱ 3.48 billion for the first six months of 2018.

As in the past years, the first 105-megawatt (MW) section of ACR's 210 MW Sarangani Energy Corporation (SEC) coal-fired baseload power plant was the key revenue and income driver. The SEC plant's first section began operating in April 2016 and currently delivers power to more than three million people in the General Santos-Sarangani area and other parts of Mindanao.

The second 105-MW section of SEC (SEC 2) is currently completing its commissioning phase and will begin commercial operations in the fourth quarter of this year. SEC 2 is set to contribute another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao. The impending operation of SEC 2 is expected to significantly boost revenue and earnings for the company in 2019.

In the fourth quarter of this year, ACR – the first private sector power generator in Mindanao – will begin civil works on the ₱ 4.25-billion 14.5 MW run-of-river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province. The project is ACR's initial entry in renewable energy and will provide additional power to the General Santos/Sarangani region when it begins operations in 2022.

Another project in ACR's pipeline is the 105-MW San Ramon Power, Inc. (SRPI) baseload coal-fired power plant in Zamboanga City which is slated to begin operations in 2023. SRPI will select the plant's engineering procurement and construction contractor before the end of October this year.

ACR also has three bunker diesel plants in its portfolio: the 103-MW Mapalad Power Corp. power plant in Iligan, the 55-MW Southern Philippines Power Corp. (SPPC) power station in Alabel, Sarangani Province and the 100-MW Western Mindanao Power Corp. (WMPC) power plant in Zamboanga City.

The WMPC diesel plant has entered into an ancillary services procurement agreement (ASPA) with the NGCP to provide dispatchable generating capacity, reactive power support, and black start capability in order to stabilize the power grid in the Zamboanga Peninsula (Western Mindanao/Region 9). The SPPC diesel plant in Sarangani has also tendered a proposal to provide ancillary services to NGCP in order to help stabilize the power grid in Region 12 or South-Central Mindanao.

Apart from power generation, ACR is also engaged in property development. The company is in partnership with Ayala Land, Inc. in the development of Azuela Cove, a 27-hectare township project in Davao City. The first two Ayala Land Premier towers are currently under construction with initial turnover expected in the first quarter of 2023.

###

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Jun 11, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

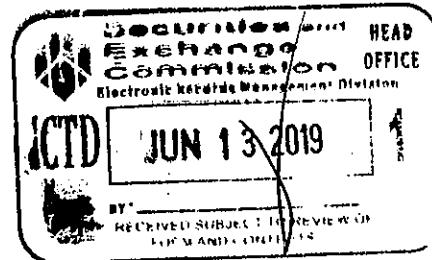
9. Former name or former address, if changed since last report

N.A.

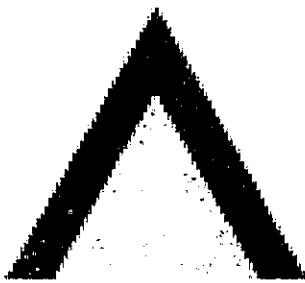
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein



The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-13 - Clarification of News Reports

**References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules**

Subject of the Disclosure

New Article entitled: "Alsons lists first hydro power project in P21-B spending program"

Source philstar.com

Subject of News Report "Alsons lists first hydro power project in P21-B spending program"

Date of Publication Jun 11, 2019

Clarification of News Report

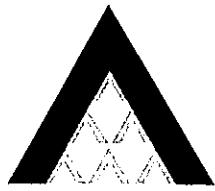
Please see attached.

Other Relevant Information

Filed on behalf by:

Name Jose Saldivar, Jr.

Designation Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
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Website: www.acr.com.ph

June 11, 2019

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Guntang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.

Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : **ACR News Articles**

Gentlemen:

We reply to your email dated June 11, 2019 with regard to the attached news article entitled "Alsons lists first hydro power project in P21-B spending program" posted in philstar.com on June 11, 2019. The article reported in part that:

"MANILA, Philippines — Alsons Consolidated Resources Inc. (ACR), the listed holding firm of the Alcantara Group, is spending P21 billion in the next three years to complete a coal-fired power plant and its first renewable energy project in Mindanao.

The company will start implementing works on its 14.5-megawatt (MW) run-of-river hydroelectric power project at the Siguil River basin in Maasim, Sarangani province, said Tirso Santillan, acting chief executive officer and executive vice president of ACR.

'This year, we're implementing Siguil, that's going to be the biggest capital expenditure,' he said.

Santillan said the Siguil project costs P4.25 billion, wherein ACR's equity amounts to P1 billion.

....

Meanwhile, ACR started the rollout of its capex for the P17 billion SRPI baseload coal-fired power plant in Zamboanga City.

‘San Ramon will actually come next year. But we have spent money on San Ramon. We spent about P400 million already on San Ramon. We will spend more in December when we give our NTP,’ Santillan said.

The company has shortlisted four groups to construct the SRPI plant, namely Dongfang Electric International Corp. headquartered in Chengdu, China; Singapore-based Jurong Engineering Ltd.; Northeast No.1 Electric Power Construction Co., Ltd. (NEPC 1) – a wholly-owned subsidiary of China Energy Engineering Group; Shandong Electric Power Construction Co. (SEPCO III) – a subsidiary of Power Construction Corp. of China.

ACR is in talks with three to four banks to cover at most 70 percent of the total project cost.

‘We’re planning to borrow money by March 2020. That’s a P17-billion project,’ Santillan said.

....”

We confirm the information written in the above quotations from the said article.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:



ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer

Alsons lists first hydro power project in P21-B spending program | Philstar.com

Alsons lists first hydro power project in P21-B spending program

Danessa Rivera (The Philippine Star) - June 11, 2019 - 12:00am

MANILA, Philippines — Alsons Consolidated Resources Inc. (ACR), the listed holding firm of the Alcantara Group, is spending P21 billion in the next three years to complete a coal-fired power plant and its first renewable energy project in Mindanao.

The company will start implementing works on its 14.5-megawatt (MW) run-of-river hydroelectric power project at the Siguil River basin in Maasim, Sarangani province, said Tirso Santillan, acting chief executive officer and executive vice president of ACR.

“This year, we’re implementing Siguil, that’s going to be the biggest capital expenditure,” he said.

Santillan said the Siguil project costs P4.25 billion, wherein ACR’s equity amounts to P1 billion.

The 14.5-MW run-of-river hydroelectric power project at the Siguil River basin is ACR’s first renewable venture. It is slated for commercial operations in 2022.

So far, the Siguil hydro project is in the advanced stages of engineering and design.

Once completed, it will provide power to Sarangani province, General Santos City and key municipalities of South Cotabato.

Meanwhile, ACR started the rollout of its capex for the P17 billion SRPI baseload coal-fired power plant in Zamboanga City .

“San Ramon will actually come next year. But we have spent money on San Ramon. We spent about P400 million already on San Ramon. We will spend more in December when we give our NTP,” Santillan said.

The company has shortlisted four groups to construct the SRPI plant, namely Dongfang Electric International Corp. headquartered in Chengdu, China; Singapore-based Jurong Engineering Ltd.; Northeast No.1 Electric Power Construction Co., Ltd. (NEPC 1) — a wholly-owned subsidiary of China Energy Engineering Group; Shandong Electric Power Construction Co. (SEPCO III) — a subsidiary of Power Construction Corp. of China.

ACR is in talks with three to four banks to cover at most 70 percent of the total project cost.

“We’re planning to borrow money by March 2020. That’s a P17-billion project,” Santillan said.

The SRPI plant is the biggest power project in the Zamboanga Peninsula when completed and will provide baseload power to Zamboanga City and nearby areas.

It will play a crucial role in stabilizing power supply in the Zamboanga peninsula once operational. It is slated to begin operating in 2022.

Alsons Power currently operates four power facilities in Mindanao. It has three diesel plants, namely the 100-MW Western Mindanao Power Corp. (WMPC) in Zamboanga City, the 55-MW Southern Philippines Power Corp. (SPPC) in Iligan City, and the 103-MW Mapalad Power Corp. in Iligan City.

It also provides baseload power in Mindanao through the first 105-MW section of the 210-MW Sarangani Energy Corp. (SEC) baseload coal-fired power plant in Maasim, Sarangani.



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Jun 3, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

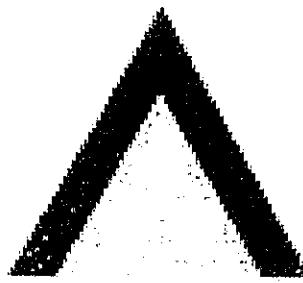
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 4-13 - Clarification of News Reports

*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Clarification of News Reports

Source The Manila Times (Online Edition) and The Philippine Star

Subject of News Report 1. "Alsons sees revenues rising 20% in 2019" and 2. "ACR selling more equity to Toyota Tsusho Corp."

Date of Publication Jun 3, 2019

Clarification of News Report

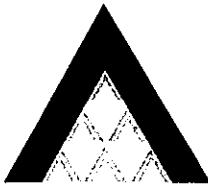
Please see attached.

Other Relevant Information

None.

Filed on behalf by:

Name Jose Saldivar, Jr.
Designation Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

June 3, 2019

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Guimtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

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Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : **ACR News Articles**

Gentlemen:

We reply to the Philippines Stock Exchange's correspondence dated June 3, 2019 with respect to the following news articles:

1. "Alsons sees revenues rising 20% in 2019", posted in The Manila Times (Online Edition) on June 1, 2019, which reported in part that:

"ALSONS Consolidated Resources Inc. expects its revenues to improve by 'at least 20 percent,' as it sees better prospects for this year, according to a top official.

'Revenues will be at least 20 percent better this year than last year,' Alsons Chief Finance Officer Robert Yenko said in a briefing after the listed power company's annual stockholders' meeting in Makati City on Thursday.

....
'Actually, [there are] good prospects for this year, mainly because...we have [completed] a new project, SEC 2, which will add another 105 megawatts of capacity,' said Tirso Santillan, Alsons executive vice president and acting chief executive officer.

He was referring to the second unit of the coal-fired power plant of Sarangani Energy Corp. (SEC) in Maasim town, Sarangani province, which will start operating in the latter part of this year.

...."

2. "ACR selling more equity to Toyota Tsusho Corp", published in the June 3, 2019 issue of the Philippine Star. The article reported in part that:

"Listed Alsons Consolidated Resources Inc. (ACR) of the Alcantara Group is selling more equity to Japan's Toyota Tsusho Corp., which signified interest to invest in its renewable energy development in Negros.

Toyota Tsusho has expressed interest in renewable projects of the company, particularly in its Negros hydropower project, ACR acting CEO and executive vice president Tirso Santillan said.

'They've expressed interest in the Bago project, which is in Negros. They don't have issued of risk in that project,' he said.

The company official said the Bago hydropower project would consist of four power stations in different sites along the Bago River in Negros Occidental.

'There are four areas that we have identified that can give us 42 megawatts (MW) in total,' Santillan said.

The Bago hydropower project is one of two renewable energy developments that will be pursued by ACR following the Siguil Hydro project in Sarangani province.

'After Siguil, there are two projects that are awaiting to be implemented, which are Bago and Sindangan,' Santillan said. 'We're moving toward implementing (Bago).'

As soon as the company finalizes and starts the Bago project, Toyota Tsusho is expected to invest up to 25 percent in the project.

'I think, as soon as we're ready to go, they will invest. It's a long process not just for Toyota, but for all Japanese companies,' Santillan said.

While the Japanese company expressed interest in ACR's renewable energy projects, Toyota Tsusho is wary of the peace and order situation in the other hydropower projects located in Mindanao.

'There is probability that they will not invest in Siguil, and it's for security reasons. It's in the red area for them,' Santillan said.

He said the project is located in the mountains, unlike in Sarangani Energy Corp. (SEC) where Toyota has a 25 percent stake in the project company.

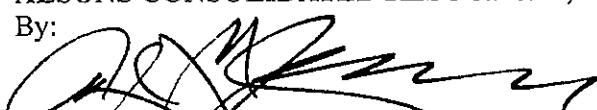
The Siguil project is ACR's first renewable venture. Full-blast construction is targeted to start later this year, while commercial operations are eyed in 2022."

We confirm the statements above, and these were made during the media roundtable at the sidelines of the ACR Annual Stockholders' meeting held last May 30, 2019 at the New World Makati Hotel.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:



ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer

Alsons sees revenues rising 20% in 2019 | The Manila Times Online

By JORDEENE B. LAGARE

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- **Alsons sees revenues rising 20% in 2019**

ALSONS Consolidated Resources Inc. expects its revenues to improve by “at least 20 percent,” as it sees better prospects for this year, according to a top official.

“Revenues will be at least 20 percent better this year than last year,” Alsons Chief Finance Officer Robert Yenko said in a briefing after the listed power company’s annual stockholders’ meeting in Makati City on Thursday.

Last week, Alsons reported that its consolidated net income rose slightly to P104.35 million in the first quarter of 2019 from P103.13 million in the same period last year.

Revenues declined by 27 percent to P1.22 billion in the first three months from P1.67 billion in 2018.

Despite that modest growth, Alsons officials are optimistic that they would record a better year because of the power plants that would come in and the deal it had sealed.

“Actually, [there are] good prospects for this year, mainly because...we have [completed] a new project, SEC 2, which will add another 105 megawatts of capacity,” said Tirso Santillan, Alsons executive vice president and acting chief executive officer.

He was referring to the second unit of the coal-fired power plant of Sarangani Energy Corp. (SEC) in Maasim town, Sarangani province, which will start operating in the latter part of this year.

Once completed, the facility would benefit about 3 million customers in the provinces of South Cotabato, Davao del Sur, Zamboanga del Norte, Zamboanga del Sur, Misamis Oriental and North Cotabato.

Yenko said another factor that would contribute to the company’s improved prospects is the ancillary services procurement agreement inked with the National Grid Corp. of the Philippines (NGCP) last year.

The deal was for Alsons unit Western Mindanao Power Corp.’s 100-MW diesel plant in Zamboanga City, which would provide the grid operator with dispatchable generating capacity, reactive power support, and black start capability that would stabilize the power grid in the Zamboanga Peninsula.

Santillan also expects the company to gain from its Azuela Cove in Lanang, Davao City, as the property — a joint venture project of Ayala Land Inc. and the Alcantara Group — is “getting to be mature.”

Besides that, Yenko said the company saw a better bottom line for this year “because of our cost-cutting measures and our lower debt from current level.”

Part of the Alcantara Group, Alsons has subsidiaries engaged in power generation, property development, industrial estate management, and other investments.

Alsons shares remained flat at P1.38 each on Friday.

ACR selling more equity to Toyota Tsusho Corp.

BY DANESSA RIVERA

Listed Alsons Consolidated Resources Inc. (ACR) of the Alcantara Group is selling more equity to Japan's Toyota Tsusho Corp., which signified interest to invest in its renewable energy development in Negros.

Toyota Tsusho has expressed interest in renewable projects of the company, particularly in its Negros hydropower project. ACR acting CEO and executive vice-president Tisko Santillan said:

"They've expressed interest in the Bago project, which is in Negros. They don't have issues of risk in that project," he said.

The company official said the Bago hydropower project would consist of two power stations in different sites along the Bago River in Negros. "Once identified, there are four areas that we have identified that can give us 42 megawatts (MW) in total," Santillan said.

The Bago hydropower project is one of two renewable energy developments that will be pursued by ACR following the Siguil Hydro project in Sarangani province.

"After Siguil, there are two projects that are waiting to be implemented, which are Bago and Sindangan," Santillan said. "We're moving toward implementing (Bago)."

As soon as the company finalizes and starts the Bago project, Toyota Tsusho is expected to invest up to 25 percent in the project.

"I think, as soon as we're ready to go, they will invest. It's a long process not just for Toyota, but for all Japanese companies," Santillan said.

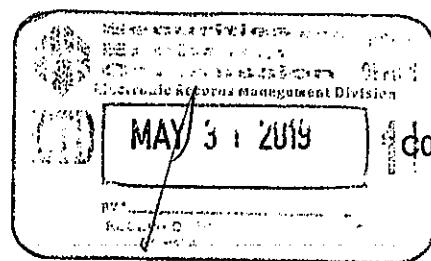
While the Japanese company expressed interest in ACR's renewable energy projects, Toyota Tsusho is wary of the peace and order situation in the other hydropower projects located in Mindanao.

"There is a probability that they will not invest in Siguil, and it's for security reasons. It's in the red area for them," Santillan said.

He said the project is located in the mountains, unlike in Sarangani Energy Corp. (SEC) where Toyota has a 25 percent stake in the project company.

The Siguil project is ACR's first renewable venture. Full-blast construction is targeted to start later this year, while commercial operations are eyed in 2022.

Ex-Date : Jun 26, 2019



G03774-2019

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
May 30, 2019
2. SEC Identification Number
59366
3. BIR Tax Identification No.
001-748-412
4. Exact name of issuer as specified in its charter
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
Postal Code
1231
8. Issuer's telephone number, including area code
(632) 982-3000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

COMMON STOCK P1.00 PAR
VALUE 6,291,500,000

11. Indicate the item numbers reported herein
declaration of cash dividend

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 6-1 - Declaration of Cash Dividends

*References: SRC Rule 17 (SEC Form 17-C) and
Sections 6 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

DECLARATION OF CASH DIVIDEND

Background/Description of the Disclosure

Please be advised that at the special meeting of the Board of Directors (the "Board) of Alsons Consolidated Resources, Inc. ("ACR") held today, the Board approved the declaration of a cash dividend in the amount of P0.02 per share or a total of P125,830,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2018, in favor of the common stockholders of record as of June 30, 2019 and payable on July 24, 2019.

Pursuant to the terms of the creation of the preferred voting shares, ACR distributed a cash dividend in the amount of P0.0008 per share or a total of P4,400,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2018 in favor of the holder of the preferred voting shares as of June 30, 2019 and payable on July 24, 2019.

Please be guided accordingly.

Type of Securities

- Common
- Preferred
- Others

Cash Dividend

Date of Approval by
Board of Directors May 30, 2019

Other Relevant
Regulatory Agency, if
applicable

Date of Approval by
Relevant Regulatory
Agency, if applicable N/A

Type (Regular or Special) REGULAR

Amount of Cash Dividend Per Share P0.02

Record Date Jun 30, 2019

Payment Date Jul 24, 2019

Source of Dividend Payment

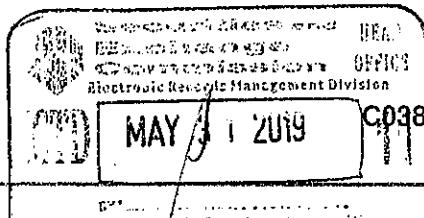
from the unrestricted retained earnings of the Corporation as of 31 December 2018

Other Relevant Information

Filed on behalf by:

Name Jose Saldivar, Jr.

Designation Finance Manager



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

May 31, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

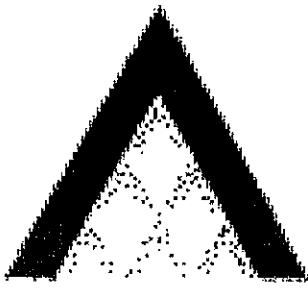
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-30 - Material Information/Transactions

*References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Cash Dividend Declaration for Unlisted Preferred Shares

Background/Description of the Disclosure

At the special meeting of the Board of Directors of ACR held on May 30, 2019 at the New World Makati Hotel, the Board of Directors approved the declaration of cash dividend in the amount of P0.0008 per share or a total of P4,400,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2018 in favor of the holder of the preferred voting shares as of June 30, 2019 and payable on July 24, 2019.

Other Relevant Information

please see attached.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 30, 2019

Securities & Exchange Commission
Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.
Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : Declaration of Cash Dividend

Gentlemen:

Please be advised that at the special meeting of the Board of Directors (the "Board) of Alsons Consolidated Resources, Inc. ("ACR") held today, the Board approved the declaration of a cash dividend in the amount of ₱0.02 per share or a total of ₱125,830,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2018, in favor of the common stockholders of record as of June 30, 2019 and payable on July 24, 2019.

Pursuant to the terms of the creation of the preferred voting shares, ACR distributed a cash dividend in the amount of ₱0.0008 per share or a total of ₱4,400,000.00 out of the unrestricted retained earnings of the Corporation as of 31 December 2018 in favor of the holder of the preferred voting shares as of June 30, 2019 and payable on July 24, 2019.

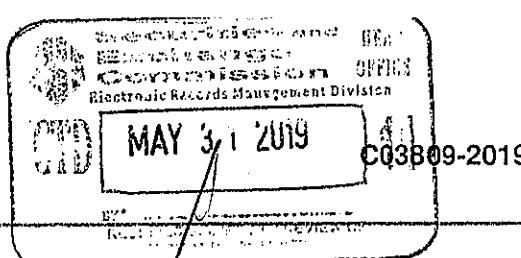
Please be guided accordingly.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:

ANGEL M. ESQUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

May 30, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG. 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

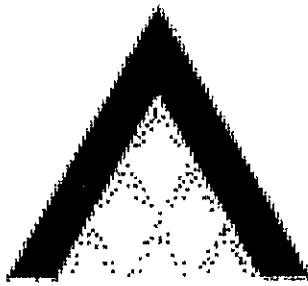
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 /PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 4-24 - Results of Annual or Special Stockholders' Meeting

*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure
Results of the Annual Stockholders' Meeting
Background/Description of the Disclosure
Results of the Annual Stockholders' Meeting of Alsons Consolidated Resources, Inc. (ACR) held on May 30, 2019

List of elected directors for the ensuing year with their corresponding shareholdings in the Issuer

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
TOMAS I. ALCANTARA	1	0	-
EDITHA I. ALCANTARA	100,000	0	-
ALEJANDRO I. ALCANTARA	1	0	-
JACINTO C. GAVINO, JR.	1	0	-
RAMON T. DIOKNO	1	0	-
JOSE BEN R. LARAYA	100	0	-
CONRADO C. ALCANTARA	1	0	-
HONORIO A. POBLADOR III	100	0	-
THOMAS G. AQUINO	100	0	-
TIRSO G. SANTILLAN, JR.	1	0	-
ARTURO B. DIAGO, JR.	1	0	-

External auditor	SYCIP GORRES VELAYO & CO.
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List of other material resolutions, transactions and corporate actions approved by the stockholders
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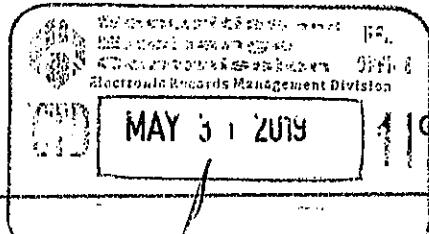
1. Approval of the Previous Minutes of the Annual Stockholders' Meeting;
2. Approval of the Annual Report of Management and the Audited Financial Statement for the year 2018;
3. Ratification of Acts and Resolutions of the Board, its Committees and Management for the year 2018;
4. Re-appointment of Sycip, Gorres, Velayo & Co., as External Auditor for the year 2019.

Other Relevant Information

please see attached.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

May 30, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 /PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 4-25 - Results of Organizational Meeting

*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure
Results of the Organizational Meeting
Background/Description of the Disclosure
Results of the Organizational Meeting of the Board of Directors held on May 30, 2019

List of elected officers for the ensuing year with their corresponding shareholdings in the Issuer

Name of Person	Position/Designation	Shareholdings in the Listed Company		Nature of Indirect Ownership
		Direct	Indirect	
TOMAS I. ALCANTARA	Chairman and President	1	0	-
TIRSO G. SANTILLAN, JR.	Executive Vice President	1	0	-
EDITHA I. ALCANTARA	Vice-Chair and Treasurer	100,000	0	-
ROBERT F. YENKO	Chief Financial Officers	0	0	-
PHILIP EDWARD B. SAGUN	Deputy Chief Financial Officer	0	0	-
ROBERTO V. SAN JOSE	Corporate Secretary	500,000	0	-
ANGEL M. ESGUERRA, III	Assistant Corporate Secretary	0	0	-

List of Committees and Membership

Name of Committees	Members	Position/Designation in Committee
Executive & Corporate Governance Committee	TOMAS I. ALCANTARA	Chairman
Executive & Corporate Governance Committee	EDITHA I. ALCANTARA	Member
Executive & Corporate Governance Committee	THOMAS G. AQUINO	Member
Executive & Corporate Governance Committee	JOSE BEN R. LARAYA	Member

Executive & Corporate Governance Committee	TIRSO G. SANTILLAN, JR.	Member
Audit, Risk Oversight & Related Party Transaction	JOSE BEN R. LARAYA	Chairman
Audit, Risk Oversight & Related Party Transaction	EDITHA I. ALCANTARA	Member
Audit, Risk Oversight & Related Party Transaction	TIRSO G. SANTILLAN, JR.	Member
Audit, Risk Oversight & Related Party Transaction	JACINTO C. GAVINO, JR.	Member
Audit, Risk Oversight & Related Party Transaction	RAMON T. DIOKNO	Member
Compensation Committee	TOMAS I. ALCANTARA	Chairman
Compensation Committee	HONORIO A. POBLADOR III	Member
Compensation Committee	JOSE BEN R. LARAYA	Member
Compensation Committee	TIRSO G. SANTILLAN, JR.	Member
Nomination & Election Committee	TOMAS I. ALCANTARA	Chairman
Nomination & Election Committee	JOSE BEN R. LARAYA	Member
Nomination & Election Committee	ARTURO B. DIAGO, JR.	Member
Nomination & Election Committee	SYLVIA M. DUQUE	Member
Retirement Committee	EDITHA I. ALCANTARA	Chairman
Retirement Committee	ROBERT F. YENKO	Member
Retirement Committee	SYLVIA M. DUQUE	Member

List of other material resolutions, transactions and corporate actions approved by the Board of Directors

The Board appointed Mr. Esperidion D. Develos, Jr. as as Chief Audit Executive reporting directly to the Audit Committee and designated Mr. Robert F. Yenko and Atty. Angel M. Esguerra, III as the Company's Corporate Information Officers / Compliance Officers with respect to disclosure requirements of the Philippine Stock Exchange, Securities Exchange Commission and the Philippine Dealing and Exchange Corporation. Atty. Esguerra was also appointed as Data Protection Officer of ACR.

Other Relevant Information

Please see attached

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

30 May 2019

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Guntang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.

Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

This is to advise that the following matters were taken up and approved at the annual stockholders' meeting and the organizational meeting of Alsons Consolidated Resources, Inc. held separately on 30 May 2018 at the New World Makati Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City, Philippines:

A. Annual Stockholders' Meeting

1. Approval of the Minutes of the Annual Meeting of Stockholders' held on May 24, 2018.
2. Approval of the Annual Report of Management and Audited Financial Statements for the year 2018
3. Ratification of Acts and Resolutions of the Board, its Committees and Management for the year 2018.
4. Re-appointment of Sycip, Gorres, Velayo & Co. as Election Inspectors and External Auditor for year 2019;
5. Election of the following stockholders as Directors of the Company for the year 2019-2020;
 1. Tomas I. Alcantara
 2. Editha I. Alcantara
 3. Alejandro I. Alcantara
 4. Conrado C. Alcantara
 5. Honorio A. Poblador III
 6. Tirso G. Santillan, Jr.
 7. Arturo B. Diago, Jr.
 8. Ramon T. Diokno
 9. Jose Ben R. Laraya (Independent Director)
 10. Thomas G. Aquino (Independent Director)
 11. Jacinto C. Gavino, Jr. (Independent Director)

B. Organizational Meeting

1. Election of the following as Officers of the Company for 2019-2020:

Chairman and President	-	Tomas I. Alcantara
Executive Vice President	-	Tirso G. Santillan, Jr.
Vice-Chair & Treasurer	-	Editha I. Alcantara
Chief Financial Officer	-	Robert F. Yenko
Deputy Chief Financial Officer	-	Philip Edward B. Sagun
Corporate Secretary	-	Roberto V. San Jose
Assistant Corp. Secretary	-	Angel M. Esguerra, III

2. Appointment of the following as members of the board committees:

<u>Executive & Corporate Governance Committee:</u>	<u>Retirement Committee:</u>
Tomas I. Alcantara – Chairman	Editha I. Alcantara
Editha I. Alcantara	Robert F. Yenko
Thomas G. Aquino	Sylvia M. Duque
Jose Ben R. Laraya	
Tirso G. Santillan, Jr.	
<u>Compensation Committee:</u>	<u>Nomination & Election Committee:</u>
Tomas I. Alcantara – Chairman	Tomas I. Alcantara - Chairman
Honorio A. Poblador III	Jose Ben R. Laraya
Jose Ben R. Laraya	Arturo B. Diago, Jr.
Tirso G. Santillan, Jr.	Sylvia M. Duque – HR Manager
<u>Audit, Risk, Oversight & Related Party Transaction Committee:</u>	
Jose Ben R. Laraya - Chairman	
Editha I. Alcantara	
Tirso G. Santillan, Jr.	
Jacinto C. Gavino, Jr.	
Ramon T. Diokno	

On the same date, the board of directors also approved the Company's Integrated Annual Corporate Governance Report (SEC Form I-ACGR) for the year 2018, and the filing thereof with the Securities and Exchange Commission (SEC), disclosure with the Philippine Stock Exchange (PSE) and Philippine Dealing and Exchange Corporation (PDEx).

The Board appointed Mr. Esperidion D. Develos, Jr. as as Chief Audit Executive reporting directly to the Audit Committee and designated Mr. Robert F. Yenko and the undersigned as the Company's Corporate Information Officers / Compliance Officers with respect to disclosure requirements of the Philippine Stock Exchange, Securities Exchange Commission and the Philippine Dealing and Exchange Corporation. The undersigned was also appointed as Data Protection Officer.

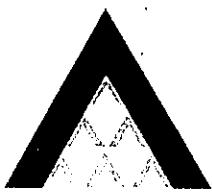
Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

by:



ANGEL M. ESGUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer



Alsons Consolidated Resources, Inc.
(Listed In the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 30, 2019

Securities & Exchange Commission
Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.
Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Re : **ACR Integrated Annual Corporate Governance Report 2018**

Gentlemen:

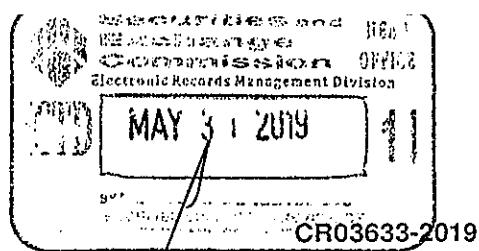
In compliance with the SEC Memorandum Circular No. 15, Series of 2017, we are submitting the Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of Alsons Consolidated Resources, Inc. (ACR) for the year 2018.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.

By:


ANGEL M. ESQUERRA, III
Assistant Corporate Secretary and
Corporate Compliance Officer



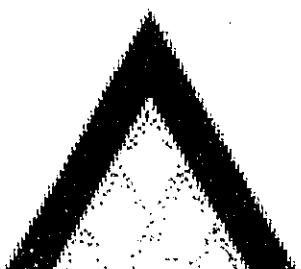
SECURITIES AND EXCHANGE COMMISSION
SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2018
2. SEC Identification Number
59366
3. BIR Tax Identification Number
001-748-412
4. Exact name of issuer as specified in its charter
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
ALSOND BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES
Postal Code
1231
8. Issuer's telephone number, including area code
(632) 982-3000
9. Former name, former address, and former fiscal year, if changed since last report

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure

In compliance with the SEC Memorandum Circular No. 15, Series of 2017, we are submitting the Integrated Annual Corporate Governance Report (SEC Form I-ACGR) of Alsons Consolidated Resources, Inc. (ACR) for the year 2018. (AMENDED TO CORRECT THE '1. FOR THE FISCAL YEAR ENDED' TO DECEMBER 31, 2018)

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

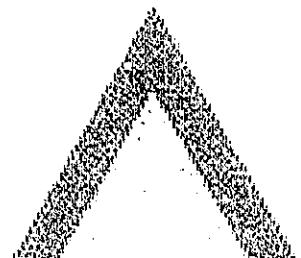
SECURITIES AND EXCHANGE COMMISSION
SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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May 30, 2019
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Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Recommendation 1.1: The Board is composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector.			
“Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.”			
Recommendation 1.1			
“1. The Board is composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector.”	Compliant	As set forth in the Company's Information Statement pursuant to section 20 of the Securities Regulation Code (“20-IS”), filed with the Commission on 15 April 2019, and found in www.acr.com.ph/filings.php as “I. Definitive Information-Statement & Management Report”, Pages 9 through 13, the Company's Directors have a collective working knowledge, experience or expertise that is relevant to the company's industry/sector, the Board has an appropriate mix of competence and expertise, and the Directors remain qualified for their positions individually and collectively, to enable them to fulfill its roles and responsibilities and respond to the needs of the organization	
“2. Board has an appropriate mix of competence and expertise”	Compliant		
“3. Directors remain qualified for their positions individually and collectively, to enable them to fulfill its roles and responsibilities and respond to the needs of the organization.”	Compliant		
Recommendation 1.2			
“1. Board is composed of a majority of non-executive directors.”	Compliant	Of the Company's 11 Directors, only 3 are “executive directors”, i.e. (1) the Chairman & President, (2) the Treasurer, and (3) the Executive Vice President	
Recommendation 1.3			
“1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.”	Compliant	In www.acr.com.ph/corp_governance.php , the Company's New Manual on Corporate Governance, 1.3, provides that “The Company shall train its Directors, and provide an orientation program for first-time Directors and relevant annual continuing training for all Directors.” The Company also ensures that all of its Directors attend an annual corporate governance seminar.	
“2. Company has an orientation program for first time directors.”	Compliant		
“3. Company has relevant annual continuing training for all directors.”	Compliant		
Recommendation 1.4			
“1. Board has a policy on board diversity.”	Compliant	The Company's Board approved its Board Diversity Policy on 24 April 2017 along with the New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php .	
Optional Recommendation 1.4			
“1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.”	Compliant	The Company's Board Diversity Policy of 24 April 2017, attached to the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , shows the Company has a policy on, and discloses, measurable	

Principle	Guidelines	Compliance	Notes
Recommendation 1.5 “1. Board is assisted by a Corporate Secretary.” “2. Corporate Secretary is a separate individual from the Compliance Officer.” “3. Corporate Secretary is not a member of the Board of Directors.” “4. Corporate Secretary attends training/s on corporate governance.”	objectives for implementing its board diversity, and reports on progress in achieving its objectives.	Compliant	As set forth in the Company's articles and by-laws, as amended, and its GIs, all found at www.acr.com.ph , the Board always appoints a Corporate Secretary who assists the Board, but who is not the Compliance Officer, or a Director, and who attends the annual corporate governance seminars. The qualifications and duties of the Corporate Secretary are set forth in the Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 1.5.
Recommendation 1.6 “1. Board is assisted by a Compliance Officer.” “2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.” “3. Compliance Officer is not a member of the board.” “4. Compliance Officer attends training/s on corporate governance.”	“Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”	Compliant Compliant Compliant Compliant	As set forth in the Company's filings and disclosures, all found at www.acr.com.ph , the Board – since the requirement was imposed – always appoints a Compliance Officer who assists the Board, who has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company, who is not a Director, and who attends the annual corporate governance seminars. The qualifications and duties of the Compliance Officer are set forth in the Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 1.6.
Recommendation 2.1 “1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.”	“Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”	Compliant	As set forth in the Company's filings and disclosures, all found at www.acr.com.ph , the Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.
Recommendation 2.2 “1. Board oversees the development, review and approval of the company's business objectives and strategy.” “2. Board oversees and monitors the implementation of the company's business objectives and strategy.”	“Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”	Compliant	As set forth in the Company's filings and disclosures, all found at www.acr.com.ph , the Board oversees and/or monitors the development, review, approval, and implementation of the Company's business objectives and strategy.
Supplement to Recommendation 2.2 “1. Board has a clearly defined and updated	“Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”	Compliant	The Company's vision, mission, and core values are all

Recommendation	Compliance	Comments	Comments	Comments
Recommendation 2.3 vision, mission and core values.”	Compliant “2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.”	The Board’s strategy execution process involves overseeing and/or monitoring the development, review, approval, and implementation of the Company’s business objectives and strategy, which process facilitates effective management performance, and is attuned to the Company’s business environment, and culture.	found at www.acr.com.ph/mission_vision.php .	
Recommendation 2.4 “1. Board is headed by a competent and qualified Chairperson.”	Compliant	As set forth in the 20-1S, and found in www.acr.com.ph/filings.php , the Board is headed by a competent and qualified Chairman, Mr. Tomas I. Alcantara.		
Recommendation 2.4 “1. Board ensures and adopts an effective succession planning program for directors, key officers and management.”	Compliant	The Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 2.4, states: “Subject to the Company’s size, risk profile and complexity of operations, the Board may include in this program a retirement age for Directors and Officers as part of Management succession and to promote dynamism in the Company.”		
Recommendation 2.5 “1. Board aligns the remuneration of key officers and board members with long-term interests of the company.”	Compliant	The New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 2.5, states: “Subject to the Company’s size, risk profile and complexity of operations, the Board may align the remuneration of Officers with the Company’s long-term interests, and adopt a policy specifying the relationship between remuneration and performance. The By-Laws shall govern the remuneration of Directors.”		
Recommendation 2.5 “2. Board adopts a policy specifying the relationship between remuneration and performance.”	Compliant	Currently, the Company’s “key officers and board members” are NOT employees of the Company, and the remuneration of all Directors and some key officers consists solely of fixed per diem (Board Resolution N° ACR 2012/III-03, ratified by the stockholders on 18 May 2012).		
Optional: Recommendation 2.5 “1. Board approves the remuneration of senior executives.”	Compliant	The Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 2.5, first sentence, states: “Subject to the Company’s size, risk profile and complexity of operations, the Board may		
Optional: Recommendation 2.5 “2. Company has measurable standards to align the performance-based				

Recommendation	Description	Additional Notes	Explanation
“1. Board has a formal and transparent board nomination and election policy.”	<p>“1. Board has a formal and transparent board nomination and election policy.”</p> <p>“2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.”</p> <p>“3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.”</p> <p>“4. Board nomination and election policy includes how the board shortlists candidates.”</p>	<p>“1. Board has a formal and transparent board nomination and election policy.”</p> <p>“2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.”</p> <p>“3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.”</p> <p>“4. Board nomination and election policy includes how the board shortlists candidates.”</p>	<p>The Company’s Board approved its formal and transparent Nomination and Election Policy on 24 April 2017, along with the New Corporate Governance Manual. The said Policy is annexed to the same Manual found in www.acr.com.ph/corp_governance.php. The said Policy includes how the Company accepts nominations from minority shareholders, and how the Board shortlists candidates.</p>
Optional: Recommendation 2.6	<p>“5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.”</p> <p>“6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.”</p>	<p>“5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.”</p> <p>“6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.”</p>	<p>The formal and transparent Nomination and Election Policy adopted on 24 April 2017, and attached to the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, is the process for identifying the quality of directors that is aligned with the strategic direction of the Company.</p>
Optional: Recommendation 2.6	<p>“1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.”</p>	<p>“1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.”</p>	<p>In the same manner that the Group uses professional search firms when searching for candidates to senior officers of the Group, the Board – if necessary – is open to using professional search firms if searching for candidates to the board of directors.</p>

Recommendation	Policy	Compliance	Observation
Recommendation 2.7	<p>“1. Board has overall responsibility in ensuring that there is a group-wide Policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.”</p> <p>“2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.”</p> <p>“3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.”</p>	Compliant	<p>The Board has adopted a group-wide RPT policy, and it is set forth in www.acr.com.ph/company/policy.php, which policy guarantees fairness and transparency of the transactions.</p>
Supplement to Recommendation 2.7	<p>“1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.”</p> <p>“2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders’ meetings.”</p>	Compliant	<p>The group-wide RPT policy, set forth in www.acr.com.ph/company/policy.php, encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations</p> <p>Insofar as this supplement to Recommendation 2.7(1) provides for a minimum, the Company exceeds the same by considering all RPTs reportable and/or subject to disclosure.</p>
Recommendation 2.8	<p>“1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief</p>	Compliant	<p>The “voting system” for RPTs follows the Revised Corporation Code, sec. 32, in that RPTs are treated as contracts between entities with inter-locking directors.</p> <p>The Board complies with the Revised Corporation Code, sec. 24, by electing, immediately after their own election, the President and Chief Executive Officer, the Executive Vice President, the Treasurer, the Chief Financial Officer, the Corporate Secretary, the Chief Audit Executive, and other officers of the Company.</p>

Recommendation	Description	Compliance	Observations	Comments
Audit Executive.”	“2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).”	Compliant	The Board complies with the Revised Corporation Code, sec. 22, in that unless otherwise provided in the said Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for assessing the performance of all Company officers.	None
Recommendation 2.9	“1. Board establishes an effective performance management framework that ensures that Management’s performance is at par with the standards set by the Board and Senior Management.”	Compliant	As set forth in the Company’s New Corporate Governance Manual, 2.9, found in www.acr.com.ph/corp_governance.php , the Board ensures that the performance by Management, including the Chief Executive Officer and other personnel, is at par with the standards set by the Board.	None
Recommendation 2.10	“2. Board establishes an effective performance management framework that ensures that personnel’s Performance is at par with the standards set by the Board and Senior Management.”	Compliant	Consistent with the Company’s New Corporate Governance Manual, 2.9, found in www.acr.com.ph/corp_governance.php , the Board also ensures that Personnel’s performance is at par with the standards set by the Board and Senior Management.	None
Recommendation 2.11	“1. Board oversees that an appropriate internal control system is in place.”	Compliant	Consistent with the Company’s New Corporate Governance Manual, 2.10, found in www.acr.com.ph/corp_governance.php , the Board “shall establish an appropriate Internal control system, set up a mechanism for monitoring and managing potential conflicts of interest of Management, Directors, and shareholders, and approve the internal audit charter.”	None
	“2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.”			
	“3. Board approves the Internal Audit Charter.”			
	“1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.”	Compliant	The Board has adopted an ERM framework as found in www.acr.com.ph/ent_risk_management.php , where it has identified some of the risks to which the Company and its subsidiaries are exposed, and the measures to manage each of such risks. This ERM framework effectively identifies, monitors, assesses and manages key business risks.	None
	“2. The risk management framework guides			The ERM framework found in

Recommendation	Description	Compliance	Comments
Recommendation 2.11	the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.”	Compliant	www.acr.com.ph/ent_risk_management.php also guides the Board in identifying units/business lines and enterprise-level risk exposures, and assists the Board in assessing the effectiveness of its risk management strategies.
Recommendation 2.12	“1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.” “2. Board Charter serves as a guide to the directors in the performance of their functions.” “3. Board Charter is publicly available and Posted on the company’s website.” “Additional Recommendation to Principle 2”	Compliant	The Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 2.12, states: “The Board shall formulate its charter that: (i) clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties; (ii) serves as a guide in the performance of the Board’s functions; (iii) is publicly available; and (iv) is posted on the Company’s website.”
“Optional: Principle 2”	“1. Board has a clear insider trading policy.” “2. Company discloses the types of decision requiring board of directors’ approval.”	Compliant Compliant	<p>The Board has adopted a clear policy on insider trading, as found in www.acr.com.ph/company_policy.php.</p> <p>The Board has adopted a group-wide RPT Policy, and it is set forth in www.acr.com.ph/company_policy.php, which Policy covers “loans to directors”, if any, and which ensures that the transaction is conducted at arm’s length basis and at market rates, therefore guaranteeing fairness and transparency of the transactions.</p> <p>The Company complies with the requirements of the Securities Regulation Code and its implementing rules and regulations, found in www.sec.gov.ph/laws-rules-decisions-and-resolutions/legislation/, on which Board decisions are subject to disclosure.</p>
Recommendation 3.1	“ Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.”	Compliant	The Board has established various committees (Executive, Corporate Governance, Nomination, Election, Remuneration, Audit, Related Party Transaction, Risk Management, etc.) that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. These

Recommendation	Description of the Recommendation	Compliance	Audit Committee	Audit Committee	Comments
Recommendation 3.2	<p>“1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.”</p> <p>“2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.”</p> <p>“3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.”</p> <p>“4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.”</p>	Compliant	Compliant	As set forth in various disclosures and filings at www.acr.com.ph , the Board has established its Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	As set forth in various disclosures and filings at www.acr.com.ph , the Audit Committee of five Directors is composed of three appropriately qualified Non-Executive Directors, and they constitute the majority of the Committee. The Chairman of the Audit Committee is an independent Director.
Supplement to Recommendation 3.2	<p>“1. Audit Committee approves all non-audit services conducted by the external auditor.”</p> <p>“2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.”</p>	Compliant	Non-compliant	As set forth in the Company’s New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php , 3.2.2, the Audit Committee “(e)valuates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company’s overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the external auditor’s duties as an external auditor or may pose a threat to his/her independence.”	Currently, a minority of the Audit Committee are members of management, which is not prohibited under Recommendation 3.2(2). Therefore, the overall Principle 3, and Recommendation 3.2(2) are still being achieved.
Optional Recommendation 3.2					

Recommendation	Description	Compliance	Comments	Compliance	Comments	Compliance
“1. Audit Committee meet at least four times during the year.”	Compliant	In December of 2018, the Assistant Corporate Secretary delivered to each Director-member of the Audit Committee, and his or her assistant, the calendar of at least 6 meetings of the Audit Committee for 2019.	As set forth in the Company’s New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php , 9.1, First sentence, the Audit Committee has “a robust process for approving and recommending the appointment, reappointment, removal, and the fees of the external auditor, subject to Board approval and shareholders’ ratification.”	As set forth in various disclosures and filings at www.acr.com.ph , the Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities.	Since the Corporate Governance Committee is also the Executive Committee, its head is the Chairman of the Board, and is not an Independent Director. Nonetheless, the overall Principle 3 and Recommendation 3.3 are still being achieved since the said Committee continues to assist the Board in performing its corporate governance responsibilities.	
Recommendation 3.3	“1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.”	Compliant	“2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.”	As set forth in various disclosures and filings at www.acr.com.ph , the Board’s Corporate Governance Committee has five members, and three of those are independent directors.		
Optional Recommendation 3.3	“3. Chairman of the Corporate Governance Committee is an independent director.”	Non-compliant				
Recommendation 3.4	“1. Corporate Governance Committee meet at least twice during the year.”	Compliant	In December of 2018, the Assistant Corporate Secretary delivered to each Director-member of the Executive and Corporate Governance Committee, and his or her assistant, via email, the calendar of at least 5 meetings of the said Committee for 2019.			
“1. Board establishes a separate Board Risk Oversight Committee (BROC) that	Compliant	The Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 3.4, in				

Recommendation	Description	Compliance	Comments	Compliance
“1. The Board should be responsible for the oversight of a company’s Enterprise Risk Management system to ensure its functionality and effectiveness.”	part, states: “The Board, taking into consideration the Company’s size, risk profile and complexity of operations, may establish a separate risk oversight committee that shall be responsible for the oversight of the Company’s ERM system to ensure its functionality and effectiveness.” Currently, the Board has established the Audit Committee as the Audit, Risk Management, and Related Party Transaction Committee, which is responsible for, among others, the oversight of a Company’s ERM system.	Compliant	The Chairman of the Audit, Risk Management, and Related Party Transaction Committee is an independent director.	
“2. BROCs are composed of at least three members, the majority of whom should be independent directors, including the Chairman.”	“3. The Chairman of the BROCs is not the Chairman of the Board or of any other committee.”	Compliant	As set forth in various disclosures and filings at www.acr.com.ph , the Chairman of the Audit, Risk Management, and Related Party Transaction Committee is Mr. Jose Ben R. Laraya, who is not the Chairman of the Board, or of any other committee.	
“4. At least one member of the BROCs has relevant thorough knowledge and experience on risk and risk management.”	“5. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.”	Compliant	As set forth in the 2015, and found in www.acr.com.ph/filings.php , all the members of the Audit, Risk Management, and Related Party Transaction Committee have relevant and thorough knowledge and experience on risk and risk management.	
Recommendation 3.5	“1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.”	Compliant	The Board has established the Audit Committee as the Audit, Risk Management, and Related Party Transaction Committee, which is tasked with reviewing all RPTs of the Company.	
Recommendation 3.6	“2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.”	Compliant	As set forth in the disclosures and filings found in www.acr.com.ph/filings.php , three of the five members of the Audit, Risk Management, and Related Party Transaction Committee are non-executive Directors, and the Chairman of this Committee is an independent Director.	
	“1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process,	Compliant	All established committees have a respective Committee Charter set forth in the articles of incorporation, as amended, the by-laws, as amended, the New Corporate Governance Manual, and the disclosures and filings	

Recommendation	Description	Assessment	Comments	Assessment	Comments
“2. Committee Charters provide standards for evaluating the performance of the Committees.”	resources and other relevant information.”	Compliant	found in www.acr.com.ph/filings.php , and these state in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information	All Committee Charters set forth in the articles of incorporation, as amended, the by-laws, as amended, the New Corporate Governance Manual, and the disclosures and filings found in www.acr.com.ph/filings.php provide standards for evaluating the performance of the respective Committees.	
“3. Committee Charters were fully disclosed on the company’s website.”		Compliant	All Committee Charters set forth in the articles of incorporation, as amended, the by-laws, as amended, the New Corporate Governance Manual, and other documents are found in www.acr.com.ph .		
Recommendation 4.1	“Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business.”		As set forth in www.acr.com.ph/disclosure.php , ‘Report on Attendance of Directors at 2018 Board of Directors Meetings’ document, the Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the Commission	Management is required to provide members of the Board and Committee materials for their meeting on the Monday of the week preceding the meeting, to allow the Directors to review meeting materials for all Board and Committee meetings.	The Directors do ask the necessary questions, or seek clarifications and explanations, during the Board and Committee meetings.
Recommendation 4.2	“1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-	Compliant	“2. The directors review meeting materials for all Board and Committee meetings.”	As set forth in the two documents labeled as “V. Certification of Independent Directors” and other documents in www.acr.com.ph , if non-executive Directors concurrently serve in publicly-listed companies, none of such companies exceed five in number.	

Recommendation 4.3 term strategy of the company.”	“1. The directors notify the company’s board before accepting a directorship in another company.”	Optional Principle 4 “1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.” “2. Company schedules board of directors’ meetings before the start of the financial year.” “3. ”	“4. Board of directors meet at least six times during the year.” “5. Company requires as minimum quorum of at least 2/3 for board decisions.”	“Principle 5: The Board should endeavor to exercise objective and independent judgment on all corporate affairs.”	Recommendation 5.1 “1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is
		<p>As set forth in the Certifications of Independent Directors and other documents in www.acr.com.ph, the independent Directors have undertaken to notify the Company’s Board if there are any changes about to occur in their qualifications, including the acceptance of a directorship in another company.</p>	<p>As set forth in the disclosures and filings found in www.acr.com.ph, the Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p> <p>Before the end of each calendar year, each Director receives a calendar of the succeeding year’s meetings of the Board and its committees. In December 2018, the Assistant Corporate Secretary delivered to each Director, and his or her assistant, the calendar of the meetings of the Board and its committees for the year 2019.</p> <p>This “Optional: Principle 4, № 3, was left blank in the SEC Form I-ACGR, page 19, to SEC Memorandum Circular № 15, dated 15 December 2017, and therefore complied with.</p>	<p>As set forth in www.acr.com.ph/disclosure.php, “Report on Attendance of Directors at 2018 Board of Directors Meetings” document, the Directors held 8 meetings in 2018. In December of 2018, the Assistant Corporate Secretary delivered to each Director, and his or her assistant, the calendar of at least 6 meetings of the Board for 2019.</p> <p>With the Revised Corporation Code taking effect, the Company will comply with the law’s requirement for the quorum for Board meetings, or the minimum vote required for Board decisions.</p>	<p>As set forth in the documents in www.acr.com.ph, the Board of Directors has three Independent Directors.</p>

Recommendation 5.2 higher.”	“1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.”	Compliant	As set forth in the documents in www.acr.com.ph , the three Independent Directors possess all the qualifications and none of the disqualifications to hold the positions.	“1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors’ ability to vote independently.”	Compliant	There are no agreements or other arrangements that constrain the Directors’ ability to vote independently.
Recommendation 5.3	“1. The independent directors serve for a cumulative term of nine years (reckoned from 2012);”	Compliant	Since the cumulative term of nine years from 2012 would end on 2021, and it is only 2019, then the current Independent Directors are still serving a cumulative term of nine years reckoned from 2012.	“2. The company bars an independent director from serving in such capacity after the term limit of nine years.”	Compliant	This prohibition is in the New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php , 5.3, second sentence.
Recommendation 5.4	“3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders’ approval during the annual shareholders’ meeting.”	Compliant	This requirement is in the New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php , 5.3, last sentence.			As set forth in the New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php , 5.4, first sentence:
		Non-compliant	“1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.”			“The Board, taking into consideration the Company’s size, risk profile and complexity of operations, may decide that separate individuals should hold the positions of Chairman and CEO, with each having clearly defined responsibilities.” The Board has not yet decided that separate individuals should hold the positions of Chairman and CEO. Nonetheless, this has not compromised the Board’s independence since the Chairman and CEO still has just one vote. Thus, Principle 5 is still being achieved.
	“2. The Chairman of the Board and Chief Executive	Compliant	The responsibilities of the President and Chief Executive			

Executive Officer have clearly defined responsibilities.”	Recommendation 5.5 “1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.”	Recommendation 5.6 “1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.”	Recommendation 5.7 “1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.” “2. The meetings are chaired by the lead independent director.”	Optional Principle 5 “1. None of the directors is a former CEO of the company in the past 2 years.”	“Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.”	Recommendation 6.1 “1. Board conducts an annual self-assessment of its performance as a whole.”	“2. The Chairman conducts a self-assessment of his performance.”
Officer are clearly defined in the Revised Corporation Code, the Company's articles, and by-laws, and the New Manual on Corporate Governance, and these are different from the responsibilities of the Chairman.	The Chairman of the Audit, Risk Management, and Related Party Transaction Committee, an Independent Director, becomes the “lead” Independent Director by reason of his Chairmanship of the said Committee.	The Company strictly complies with the Revised Corporation Code, sec. 32, which governs dealings by Directors, if any, with the Company.	As set forth in the New Manual on Corporate Governance, found in www.acr.com.ph , 5.7, “The Non-Executive Directors shall meet periodically with the external auditor and heads of the internal audit, compliance and risk functions without any Executive Directors present and an Independent Director shall chair these meetings.”	As set forth in the filings and disclosures in www.acr.com.ph , none of the Directors is a former Chief Executive Officer of the Company in the past 2 years.	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.1, first sentence, the “Board shall conduct an annual self-assessment of its performance...”	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.1, first sentence, the Board shall conduct an annual assessment of the performance of the Chairman, which could include a self-assessment.	

Principle 6: Governance of the Board	“3. The individual members conduct a self-assessment of their performance.”	“4. Each committee conducts a self-assessment of its performance.”	“5. Every three years, the assessments are supported by an external facilitator.”	Recommendation 6.2	Disclosure and Transparency	Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders	Recommendation 7.1	
Compliant	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.1, first sentence, the “Board shall conduct an annual self-assessment of its performance”, which could include individual self-assessments.	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.1, first sentence, the “Board shall conduct an annual self-assessment of the ...committees”, which could include self-assessments by each Committee.	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.1, last sentence, “(e)every three years, the assessment should be supported by an independent third party.”	Compliant	As set forth in the Company’s New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 6.2, “The Board shall establish a system that provides criteria and processes to assess its performance and that of individual Directors and committees, and allows for a feedback mechanism from the shareholders.”	Compliant	The Board has adopted a Code of Business Conduct and Ethics, found in www.acr.com.ph/company_policy.php , which Code provides standards for professional and ethical behavior. It also articulates acceptable and unacceptable conduct and practices in internal and external dealings of the Company.	Compliant

Recommendation	Compliance	Compliance	Compliance
available to the public through the company website.”			through the Company website www.acr.com.ph/company_policy.php .
Supplement to Recommendation 7.1	Compliant		The Board has adopted a Code of Business Conduct and Ethics, in www.acr.com.ph/company_policy.php , which has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.
Recommendation 7.2	Compliant	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics, found in www.acr.com.ph/company_policy.php , through the internal auditors.
“1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.”			“2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies through the internal auditors.
“2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.”	Compliant		The Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies that are practical and in accordance with best practices and regulatory expectations.”
“Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.”			
Recommendation 8.1	Compliant		The Company’s New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 8.1, states: “The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other Stakeholders that gives a fair and complete picture of a Company’s financial condition and business operations.”
“1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.”			
Supplement to Recommendation 8.1	Compliant		As set forth in www.acr.com.ph/filings.php and in www.acr.com.ph/disclosure.php , the Company does distribute or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions, and makes public consolidated financial statements within ninety (90) days from the end of the fiscal year, and interim reports within forty-five (45) days from the end of the reporting period.
“1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.”	Compliant		As set forth in the annual reports in www.acr.com.ph , the Company discloses in its annual report the principal risks
“2. Company discloses in its annual report the principal risks associated with the	Compliant		

Recommendation	Description	Compliance	Description	Compliance
Recommendation 8.2	identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.”		associated with the identity of the Company's controlling shareholders; the degree of ownership concentration; cross-holdings among the Company's affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the Company.	
“1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.”	Compliant		As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.2, states, “The Company shall require all Directors and officers to disclose/report to the Company any dealings in the Company's shares within three business days.”	
“2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.”		Compliant		
Supplement to Recommendation 8.2	“1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).		As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.2, states, “The Company shall require all Directors and officers to disclose/report to the Company any dealings in the Company's shares within three business days.” This includes the disclosure of the Company's purchase of its shares from the market, such as a share buy-back program.	
Recommendation 8.3	“1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”			
“2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”		Compliant		
Recommendation 8.4	“1. Company provides a clear disclosure of	Compliant	As the New Manual on Corporate Governance, found in	

Recommendation 8.4	its policies and procedure for setting Board remuneration, including the level and mix of the same.” “2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.”	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.4, first sentence, states, “The Company shall clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same...”	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.4, first sentence, states, “The Company shall clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same...” However, Directors are not employees who are subject to “termination”, and as the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 8.4, last sentence, states, “The Board shall balance the need to keep private sensitive information and the need to disclose the remuneration, termination, and/or retirement of individuals.”	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.5, first in part, states, “The Company shall disclose its policies on RPTs and other unusual or infrequently occurring transactions. The material or significant RPTs reviewed and approved during the year should be disclosed...”	The Company reminds its Directors of their duties and responsibilities, including those set forth in the Revised Corporation Code, sec. 33.	As the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 8.6, states, “The Company shall make a full, fair, accurate and timely
Recommendation 8.5	“1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.” “2. Company discloses material or significant RPTs reviewed and approved during the year.”	Compliant	Compliant	Compliant	Compliant	Compliant
Supplement to Recommendation 8.5	“1. Company requires directors to disclose their interests in transactions or any other conflict of interests.”	Optional Recommendation 8.5	Optional Recommendation 8.6	Optional Recommendation 8.6	Optional Recommendation 8.6	Optional Recommendation 8.6

Recommending Entity / Corporate Governance Committee / Board	Recommending Entity / Corporate Governance Committee / Board	Recommending Entity / Corporate Governance Committee / Board	Recommending Entity / Corporate Governance Committee / Board
<p>Particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.”</p> <p>“2. Board appoints an independent party to evaluate the fairness of the transaction Price on the acquisition or disposal of assets.”</p>	<p>Supplement to Recommendation 8.6</p> <p>“1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.”</p>	<p>Supplement to Recommendation 8.7</p> <p>“1. Company’s corporate governance Policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).”</p> <p>“2. Company’s MCG is submitted to the SEC and PSE.”</p> <p>“3. Company’s MCG is posted on its company website.”</p>	<p>Particularly on the acquisition or disposal of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets that could adversely affect the viability or the interest of its shareholders and other Stakeholders.”</p> <p>The Company engages independent financial consultants to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> <p>The Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the Company, if any such agreements were proposed.</p> <p>As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 8.7, states: “The Company’s Corporate Governance Policies, programs and procedures, once finalized and approved by the Board, should be posted on the Company’s website.”</p> <p>The Company submitted its New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, to the SEC and to the PSE on 14 September 2017.</p> <p>The Company’s New Manual on Corporate Governance is found in www.acr.com.ph/corp_governance.php.</p> <p>The Company submitted to the SEC and to the PSE its Manual on Corporate Governance, then its Revised Manual on Corporate Governance, then its New Manual on Corporate Governance, all found in www.acr.com.ph/corp_governance.php.</p>
	<p>Supplement to Recommendation 8.7</p> <p>“1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.”</p>	<p>Supplement to Recommendation 8.7</p> <p>“1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.”</p>	<p>Optional Principle 8</p>

Question	Response	Comments	Response	Comments	Comments
<p>“1. Does the company’s Annual Report disclose the following information: (a) Corporate Objectives; (b) Financial performance indicators; (c) Non-financial performance indicators; (d) Dividend Policy; (e) Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors; (f) Attendance details of each director in all directors meetings held during the year; (g) Total remuneration of each member of the board of directors.”</p> <p>“2. The Annual Report contains a statement confirming the company’s full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.”</p> <p>“3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company’s material controls (including operational, financial and compliance controls) and risk management systems.”</p> <p>“4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company’s internal controls/risk management systems.”</p> <p>“5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).”</p>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p> <p>Compliant</p> <p>Compliant</p>	<p>Yes, the Annual Report, SEC Form 17-A, found in three parts in www.acr.com.ph/filings.php, and other documents therein, discloses the Company’s: (a) Corporate Objectives; (b) Financial performance indicators; (c) Non-financial performance indicators; (d) Dividend Policy; (e) Biographical details such as age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies of all Directors; (f) Attendance details of each director in all directors meetings held during the year; (g) Total remuneration of each member of the board of directors.</p> <p>The Annual Report, Part III, found in www.acr.com.ph/filings.php, contains the Company’s statement confirming the company’s full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p> <p>The Annual Report, SEC Form 17-A, found in three parts in www.acr.com.ph/filings.php, and other documents therein, discloses and demonstrates that the Board of Directors conducted a review of the Company’s material controls - including operational, financial and compliance controls- and risk management systems.</p> <p>The Annual Report, SEC Form 17-A, found in three parts in www.acr.com.ph/filings.php, and other documents therein, disclose and demonstrate that the Board of Directors found the Company’s internal controls/risk management systems adequate.</p> <p>The Annual Report, SEC Form 17-A, found in three parts in www.acr.com.ph/filings.php, and other documents therein, disclose the key risks to which the Company is materially exposed</p>	<p>“Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.”</p> <p>Recommendation 9.1</p>		

Recommendation	Description	Audit Committee Charter	New Manual on Corporate Governance	Comments
<p>“1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.”</p> <p>“2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.”</p>	<p>Compliant</p> <p>“3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.”</p>	<p>As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 9.1, first sentence states: “The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and the fees of the external auditor, subject to Board approval and shareholders’ ratification.”</p>	<p>As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 9.1, second sentence states: “The reasons for removal or change of external auditor shall be disclosed to the regulators and the public through the Company website and required disclosures.”</p>	
<p>Supplement to Recommendation 9.1</p> <p>“1. Company has a policy of rotating the lead audit partner every five years.”</p>	<p>Compliant</p>	<p>Recommendation 9.2</p> <p>“1. Audit Committee Charter includes the Audit Committee’s responsibility on (i) assessing the integrity and independence of external auditors; (ii) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and (iii) exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.”</p>	<p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 9.2 (a) through (c). “The Audit Committee charter shall include the Committee’s responsibility on: (a) assessing the integrity and independence of external auditors; (b) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; (c) the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements; and (d) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p>	<p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 9.2 (d). “The Audit Committee charter shall include the Committee’s responsibility on: ... (d) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p>
<p>Supplement to Recommendation 9.2</p> <p>“1. Audit Committee ensures that the external auditor is credible, competent</p>	<p>Compliant</p>			<p>Annually, the Audit Committee conducts meetings with the external auditor to ensure that the latter is credible,</p>

Rule/Standard/Requirement	Guidelines/Notes	Compliance	Comments	Compliance	Comments	Compliance
“2. Audit Committee ensures that the external auditor has adequate quality control procedures.”	“1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.”	Compliant	“2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor’s objectivity.”	Compliant	“1. Fees paid for non-audit services do not outweigh the fees paid for audit services.”	Compliant
Additional Recommendation to Principle 9	“1. Company’s external auditor is duly accredited by the SEC under Group A category.”	Compliant	“2. Company’s external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC’s Office of the General Accountant (OGA).”	Compliant	“Principle 10: The company should ensure that material and reportable non-financial and sustainability issues are disclosed.”	Compliant
Recommendation 10.1	“1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic,	Compliant	“1. The Audit Committee conducts meetings with the external auditor during which the latter demonstrates to the Audit Committee that the external auditor has adequate quality control procedures.	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.3, first sentence, “The Company shall disclose the nature of non-audit services performed by its external auditor in the annual report to deal with the potential conflict of interest.”	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.3, second sentence, “The Audit Committee shall be alert for any potential conflict of interest situations and follow guidelines or policies on non-audit services that could impair the external auditor’s objectivity.”	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , the Company’s external auditor is duly accredited by the SEC under Group A category.
						Company’s external auditor has advised that they had agreed to be subjected to the SOAR Inspection Program conducted by the SEC’s OGA.

Principles and Objectives	Principles and Objectives	Compliance	Compliance
“Company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.”			
“1. Company has media and analysts’ briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.”	Compliant	The Company holds media and analysts’ briefings, which could serve as channels of communication that ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	
Supplement to Principle 11			
Company has a website disclosing up-to-date information on the following: (a) Financial statements / reports (latest quarterly); (b) Materials provided in briefings to analysts and media; (c) Downloadable annual report; (d) Notice of ASM and/or SSM; (e) Minutes of ASM and/or SSM; and (f) Company’s Articles of Incorporation and By-Laws	Compliant	As set forth in the Company’s website, www.acr.com.ph , the same discloses up-to-date information on the Company’s (a) Financial statements / reports (latest quarterly); (b) Materials provided in briefings to analysts and media; (c) Downloadable annual report; (d) Notice of ASM; (e) Minutes of ASM; (f) Articles of Incorporation and By-Laws.	
Additional Recommendation to Principle 11			
“1. Company complies with SEC-prescribed website template.”	Compliant	As demonstrated by the Company’s website, www.acr.com.ph , the Company complies with SEC-prescribed website template.	
Internal Control System and Risk Management Framework			
“Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.”			
Recommendation 12.1			
“1. Company has an adequate and effective internal control system in the conduct of its business.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.1, “The Board, taking into account the Company’s size, risk profile and complexity of operations, may establish an adequate and effective Internal control system and an ERM framework in the conduct of the	
“2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.”			

Recommendation	Policy	Compliance Status	Explanation
Supplement to Recommendation 12.1	“1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said instances.”	Compliant	The Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations in the form of an internal audit, the activities for which is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said instances.”
Recommendation 12.2	“1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.”	Compliant	The Company engages the IT specialists to perform overwatch functions over the IT systems of the Company and its affiliates for any disruption, cyber security, and disaster recovery, and these specialists ensure that all key risks are identified, managed and reported to the Chairman of and for the Board.
Recommendation 12.3	“1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.”	Compliant	The Board annually appoints the qualified Mr. Espenidion D. Develos as its CAE.
	“2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.3, the CAE oversees and is responsible for the Company’s internal audit activity, including –if any – that portion that is outsourced to a third party service provider.”
	“3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.3, “In case of a fully outsourced internal audit activity, senior management personnel should be responsible for managing the said activity.”
Recommendation 12.4	“1. Company has a separate risk management function to identify, assess and monitor key risk exposures.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.4, “Subject to its size, risk profile and complexity of operations, the Board may establish a separate risk management function to identify, assess and monitor key

Recommendation 12: Risk Governance Policy	Compliance Note	Additional Information	
Supplement to Recommendation 12.4	Compliant	If, in the Board's view, certain risks need to be evaluated and then managed by specialists, the Company will seek external technical support in risk identification and management when such competence is not available internally.	risk exposures”.
Recommendation 12.5	<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p> <p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.”</p>	<p>Compliant</p> <p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 12.5, “Subject to its size, risk profile and complexity of operations, the Board, in managing the Company's risks, may appoint a chief risk officer, who is the ultimate champion of ERM and has adequate authority, stature, resources and support to fulfill his/her responsibilities.”</p>	
Additional Recommendation to Principle 12	<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.”</p>	<p>Compliant</p> <p>Subject to its size, risk profile and complexity of operations, the Company's Chief Executive Officer and Chief Audit Executive could attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	
Cultivating a Synergic Relationship with Shareholders	“Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.”	Recommendation 13.1	<p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, the Company discloses the rights of its shareholders.</p>
Recommendation 13.1	<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.”</p> <p>2. Board ensures that basic shareholder rights are disclosed on the company's website.”</p>	<p>Compliant</p> <p>As set forth in the Company's website, www.acr.com.ph, the Company discloses the rights of its shareholders.</p>	
Supplement to Recommendation 13.1	<p>1. Company's common share has one vote for one share.”</p> <p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.”</p> <p>3. Board has an effective, secure, and</p>	<p>Compliant</p> <p>This is provided for by the Revised Corporation Code, and the Company's articles of incorporation, as amended, found in www.acr.com.ph/, and the Company complies with the law, and its own articles.</p> <p>Compliant</p>	<p>Compliant</p>

Recommendation	Description of Recommendation	Compliance	Comments	Source
“4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.”	<p>“4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.”</p> <p>“5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.”</p> <p>“6. Board clearly articulates and enforces Policies with respect to treatment of minority shareholders.”</p> <p>“7. Company has a transparent and specific dividend policy.”</p>	Compliant	<p>The Board has an effective shareholder voting mechanisms by complying with the Revised Corporation Code, and other applicable laws in found in www.sec.gov/ph/laws-rules-and-regulations/legislation/.</p> <p>As set forth in the Revised Corporation Code, if ever duly and timely requested to do so, the Board would allow shareholders to call a special shareholders’ meeting and submit a proposal for consideration or an agenda item at the annual or special meeting.</p> <p>As found in the disclosures and filings in www.acr.com/ph/, at the annual meeting of the shareholders, or in dialogues with the shareholders, the Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> <p>As found in the disclosures and filings in www.acr.com/ph/, the Company has a transparent and specific dividend policy, which it disclosed to the public via its website.</p>	
Optional Recommendation 13.1	“1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders’ Meeting.”	Compliant	As found in the disclosures and filings in www.acr.com/ph/ , when necessary, the Company appoints an independent party to count and validate the votes at the Annual Shareholders’ Meeting.	
Recommendation 13.2	“1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least 28 days before the meeting.”	Compliant	As set forth in www.acr.com.ph/disclosure.php , the Company disclosed the date of the annual shareholders’ meeting on May 24 th , and therefore notified the shareholders of such a meeting, as early as February 22 nd .	
Supplement to Recommendation 13.2	“1. Company’s Notice of Annual Stockholders’ Meeting contains the following information: a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and	Compliant	As set forth in the documents found in www.acr.com.ph/disclosure.php , the Company’s Notice of the Annual Stockholders’ Meeting is contained in its SEC Form 20-1S, and is therefore accompanied by the following information: (a) the profiles of Directors; (b) the Auditors seeking re-appointment; and (c) the proxy	

Recommendation/Principle	Principle	Principle	Principle	Principle	Principle	Principle
a. Directorships in other listed companies	b. Auditors seeking appointment/re-appointment c. Proxy documents.			documents.		
Optional Recommendation 13.2	“1. Company provides rationale for the agenda items for the annual stockholders meeting.”	Compliant	As set forth in the documents found in www.acr.com.ph/disclosure.php , the Company’s Notice of the Annual Stockholders’ Meeting provides rationale for the agenda items for the said meeting.			
Recommendation 13.3	“1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day.” “2. Minutes of the Annual and Special Shareholders’ Meetings were available on the company website within five business days from the end of the meeting.”	Compliant	As found in the disclosures and filings in www.acr.com.ph/ , the Company makes the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available not later than the next working day.	As found in the disclosures and filings in www.acr.com.ph/ , the Company makes the approved minutes of the annual meeting available on the Company’s website within five business days from the end of the meeting.	As found in the disclosures and filings in www.acr.com.ph/ , the Board invites the Company’s external auditors to annual shareholders’ meeting, and they regularly attend.	
Supplement to Recommendation 13.3	“1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders’ questions during the ASM and SSM.”	Compliant	As set forth in the New Manual on Corporate Governance, 13.3, “At the shareholder’s option, the shareholder may refer his/her dispute with the Company to arbitration in Makati City in accordance with the arbitration rules of the Philippine Dispute Resolution Center, Inc. (“PDRCR”) in force at the time such arbitration is commenced. The arbitral tribunal shall consist of three (3) arbitrators, with the shareholder nominating one (1) arbitrator and the Company choosing to nominate another arbitrator. The two (2) arbitrators so chosen shall nominate a third arbitrator who shall serve as the presiding arbitrator. If either side fails to appoint an arbitrator or the two arbitrators appointed by the			
Recommendation 13.4	“1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.” “2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.”	Compliant				

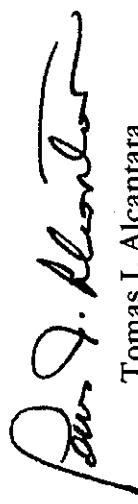
Recommendation 13.5		Supplemental Recommendation to Principle 13		Optional Principle 13		Duties to Shareholders	
“1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.”	“2. IRO is present at every shareholder’s meeting.”	<p>Compliant</p> <p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 13.4, “Subject to the Company’s size, risk profile and complexity of operations, the Board may appoint an investor relations officer to constantly engage with its shareholders who should be present at every shareholders’ meeting.”</p>	<p>Compliant</p> <p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 13.4, “Subject to the Company’s size, risk profile and complexity of operations, the Board may appoint an investor relations officer to constantly engage with its shareholders who should be present at every shareholders’ meeting.”</p>	<p>Non-compliant</p> <p>The Company has no anti-takeover measures or similar devices that entrench ineffective management, or the existing controlling shareholder group.</p>	<p>Non-compliant</p> <p>The Company has no anti-takeover measures or similar devices that entrench ineffective management, or the existing controlling shareholder group.</p>	<p>Compliant</p> <p>The Company has policies and practices to encourage shareholders to engage with the Company beyond the Annual Stockholders’ Meeting as set forth in found in its Investors Relations Program in www.acr.com.ph/investors_rel_program.php.</p>	<p>Compliant</p> <p>As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 14.1, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall identify the Company’s various Stakeholders and cooperate with them to create wealth, growth and sustainability.”</p>
“1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.”	“2. Company has at least thirty percent (30%) public float to increase liquidity in the market.”					“Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders’ rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.”	
“1. Board establishes clear policies and		Compliant	Compliant	Compliant	Compliant	“1. Board establishes clear policies and	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 14.1, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall identify the Company’s various Stakeholders and cooperate with them to create wealth, growth and sustainability.”

Principle	Description	Guidelines	Action Taken	Comments
14.2. Provide a mechanism on the fair treatment and protection of stakeholders.	“1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.”	Compliant	As set forth in the New Manual on Corporate Governance, 13.3, “At the shareholder’s option, the shareholder may refer his/her dispute with the Company to arbitration in Makati City in accordance with the arbitration rules of the Philippine Dispute Resolution Center, Inc. (“PDRCI”) in force at the time such arbitration is commenced. The arbitral tribunal shall consist of three (3) arbitrators, with the shareholder nominating one (1) arbitrator and the Company nominating another arbitrator. The two (2) arbitrators so chosen shall nominate a third arbitrator who shall serve as the presiding arbitrator. If either side fails to appoint an arbitrator or the two arbitrators appointed by the parties fail to agree on the choice of a presiding arbitrator, the chairman of the PDRCI shall make such appointments(s). The language of the arbitration proceedings shall be English. “	The Company does not seek any exemption from the application of a law, rule or regulation. If it does seek an exemption from corporate governance recommendation, the Company discloses the reason for such action, and presents – if applicable - the specific steps to finally comply with the corporate governance recommendation.
Additional Recommendation to Principle 14	“1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.”	Compliant		

Recommendation 15.1 “2. Company respects intellectual property rights.” “ Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes.”	Compliant	Since the laws protect intellectual property rights, the Company respects such intellectual property rights.	“ Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes.”
Recommendation 15.1 “1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.”	Compliant	As set forth in the New Manual on Corporate Governance, 15.1, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and in its governance.”	
Supplement to Recommendation 15.1 “1. Company has a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.”	Compliant	As set forth in the New Manual on Corporate Governance, 15.1, “Subject to the Company’s size, risk profile, and complexity of operations, the Board will formulate a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.”	
“2. Company has policies and practices on health, safety and welfare of its employees.”	Compliant	The Company’s policies and practices on health, safety and welfare of its employees, if any, are set forth in www.acr.com.ph/company_policy.php , in the Health, Safety and Welfare policy.	
“3. Company has policies and practices on training and development of its employees.”	Compliant	As set forth in the documents in forth in www.acr.com.ph , the Company has policies and practices on training and development of its employees, if any.	
Recommendation 15.2 “1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.”	Compliant	The Board adopted an anti-corruption policy and program in its Code of Business Conduct and Ethics, thereby setting the tone and making a stand against corrupt practices.	
“2. Board disseminates the policy and Program to employees across the organization through trainings to embed them in the company’s culture.”	Compliant	Through the Group’s Human Resources Department, the Board disseminates its Code of Business Conduct and Ethics, in www.acr.com.ph/code_business_conduct.php , to employees of the Group through training sessions to embed the same in the culture of the employees of the Group and, if any, of the Company.	
Supplement to Recommendation 15.2 “1. Company has clear and stringent policies and procedures on curbing and	Compliant	The Company has clear and stringent policies and procedures, set forth in www.acr.com.ph/company_procedures.php	

Recommendation/Optional Principle	Name of Policy	Policy Type	Policy URL	Policy Description	Policy Status	Policy Last Updated
Recommendation 15.3 penalizing employee involvement in offering, paying and receiving bribes.				Policy.php, on curbing and penalizing employee involved in offering, paying and receiving bribes.		
Recommendation 15.3 “1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.”		Compliant		As set forth in www.acr.com.ph/company/policy.php , Whistle Blowing policy, the Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.		
Recommendation 15.3 “2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.”		Compliant		As set forth in www.acr.com.ph/company/policy.php , Whistle Blowing policy, the Board established a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns, and supervises and ensures the enforcement of the whistleblowing framework.		
Recommendation 15.3 “3. Board supervises and ensures the enforcement of the whistleblowing framework.”		Compliant				
“Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.”						
Recommendation 16.1 “1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.”		Compliant		As set forth in the New Manual on Corporate Governance, 16.1, “The Company recognizes the interdependence of business and society, and promotes a mutually beneficial relationship that allows the Company to grow its business while contributing to the advancement of society.”		
Optional Principle 16 “1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.”		Compliant		The Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development by requiring its operating subsidiaries to comply with all requirements imposed by the Department of Environment and Natural Resources, and/or Environment Impact Permits.		
Optional Principle 16 “2. Company exerts effort to interact positively with the communities in which it operates.”		Compliant		The Company’s operating subsidiaries exert efforts to interact positively with the communities in which they operate by carrying out the Company’s Corporate Social Responsibility programs in such communities through the Alcantara Foundation, as found in www.acr.com.ph/investor/sub_b.php .		

Makati City, — May 2019.



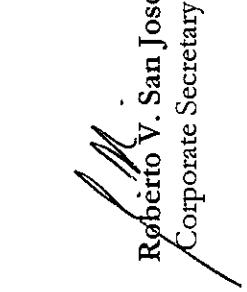
Tomas I. Alcantara
Chairman of the Board and President



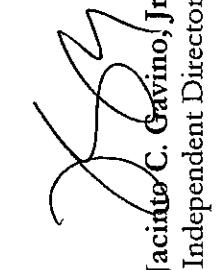
Jose Ben R. Laraya
Independent Director



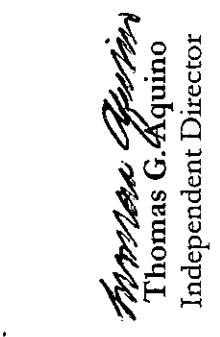
Robert F. Yenko
Compliance Officer & Chief Financial Officer



Roberto V. San Jose
Corporate Secretary



Jacinto C. Gavino, Jr.
Independent Director



Thomas G. Aquino
Independent Director

SUBSCRIBED AND SWORN to before me on this — day of May 2019 at Makati City, affiants having exhibited to me competent evidence of their respective identity consisting of the following, with their respective photograph and signature.

Name	ID Type &/ or N°	Issuer	Name	Passport N°	Issued at/Date
Tomas I. Alcantara	UMID CRN 0111-0521374-6	SSS	Jose Ben R. Laraya	P3765185A	DFA NCR East/ 07-22-2017
Robert F. Yenko	UMID CRN 0111-5667602-8	SSS	Thomas G. Aquino	P3599859A	DFA Manila/ 07-06-2017
Jacinto C. Gavino, Jr.	TIN 123-104-984	BIR	Roberto V. San Jose	P1329913A	DFA NCR South/ 12-20-2016

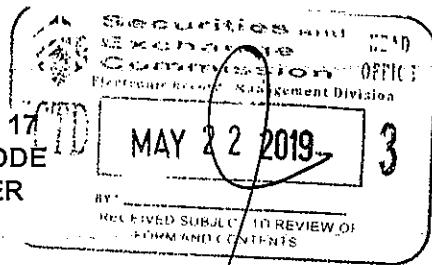


Doc. No. 28 ;
Page No. 6 ;
Book No. V ;
Series of 2019

Angel M. Esguerra, III
Notary Public for Makati City
Commission No. M-184; Roll N° 34787; 06/01/87
Until December 31, 2019
IBP Lifetime N° 00259; 06/01/1995; Pasay
PTR OR N° 7344120; 1/08/2019; Makati City
Alsons Building, 2286 Chino Roces Avenue, Makati City

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**



1. Date of Report (Date of earliest event reported)

May 20, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

N/A

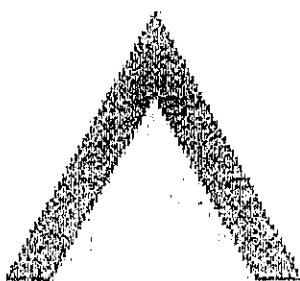
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00/PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate

disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

"ALSONS POSTS FIRST QUARTER NET EARNINGS GROWTH"

Background/Description of the Disclosure

Please see attached Press Release

Other Relevant Information

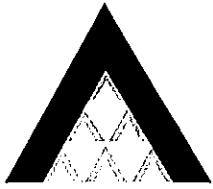
Filed on behalf by:

Name

Jose Saldivar, Jr.

Designation

Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

May 20, 2019

Securities & Exchange Commission
Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex,
Roxas Blvd., Pasay City

via PSE EDGE

Philippine Stock Exchange, Inc.
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail

Philippine Dealing & Exchange Corp.
Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:
"Alsons posts first quarter net earnings growth".

We trust that you will find the foregoing in order.

Very truly yours,

ANGEL M. ESGUERRA, III
Corporate Information Officer &
Assistant Corporate Secretary



PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

Alsons posts first quarter net earnings growth

Alsons Consolidated Resources Inc., (ACR) – the publicly listed company of the Alcantara Group – posted a modest increase in consolidated net income for the first three months of 2019 at ₱104,359,976 million from ₱103,138,863 million in the same period last year.

Attributable net earnings for the first quarter of 2019 rose 69% from a net loss of ₱19.74 million in 2018 to a net profit attributable to the parent of ₱6.11 million this year. First quarter revenues were down slightly at ₱1.22 billion in 2019 from ₱1.67 billion in 2018.

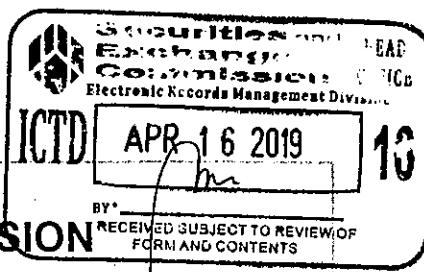
The Sarangani Energy Corp. (SEC) baseload coal-fired power plant in Maasim, Sarangani Province remains to be the key driver of revenue and income for ACR. The SEC plant's first section with a capacity of up to 105 megawatts (MW) began operating in April 2016 and currently delivers power to more than three million people in the General Santos-Sarangani area and other parts of Mindanao. The plant's second section is currently in the commissioning stage and is targeting to start commercial operations in the second half of 2019. SEC 2 is set to contribute another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao when it begins operating later this year.

Other projects in ACR's pipeline include the ₱4.25-billion 14.5 MW run-of-river hydroelectric power project at the Siguil River basin in Maasim, Sarangani Province – ACR's initial entry in renewable energy (RE) – and the 105 MW San Ramon Power, Inc. (SRPI) baseload coal-fired power plant in Zamboanga City. The Siguil hydro project is in the advanced stages of engineering and design. Its civil works are slated to kick off in the second half of this year and target start of operations is in 2021.

ACR also has three bunker diesel plants in its portfolio: the 103 MW Mapalad Power Corp. (MPC) power plant in Iligan, the 55 MW Southern Philippines Power Corp. (SPPC) power station in Alabel, Sarangani Province and the 100 MW Western Mindanao Power Corp. (WMPC) power plant in Zamboanga City. The WMPC diesel plant in Zamboanga City has entered into an ancillary services procurement agreement (ASPA) with the NGCP to provide dispatchable generating capacity, reactive power support, and black start capability in order to stabilize the power grid in the Zamboanga Peninsula (Western Mindanao/Region 9). The SPPC diesel plant in Sarangani has also tendered a proposal to provide ancillary services to NGCP in order to help stabilize the power grid in Region 12 or South Central Mindanao.

Apart from power generation, ACR is also engaged in property development. The company is in partnership with Ayala Land, Inc. (ALI) in the development of Azuela Cove, a 27-hectare township project in Davao City. The first two Ayala Land Premier towers are currently under construction with initial turnover expected in the first quarter of 2023.

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Apr 15, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

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Philippines

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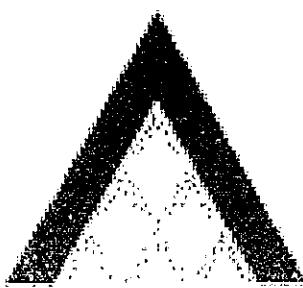
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Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-32 - Reply to Exchange's Query

Subject of the Disclosure

SIGNATORIES FOR COMPANY'S STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ITS AUDITED FINANCIAL STATEMENTS

Description of the Disclosure

Please see attached Secretary's Certificate/ Board Resolution

Information Requested

Filed on behalf by:

Name

Jose Saldivar, Jr.

Designation

Finance Manager

REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

SECRETARY'S CERTIFICATE

I, Roberto V. San Jose, Filipino, of legal age, and with office address at the 3/F The Valero Tower, 122 Valero Street, Salcedo Village, Makati City, Metro Manila, being the duly appointed Corporate Secretary of **Alsons Consolidated Resources, Inc.**, a Philippine corporation with principal address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila, Philippines (the "Company"), do hereby certify that:

1. At the Meeting of the Board of Directors of the Company held on April 11, 2019, at which a quorum was present, the following resolutions were unanimously approved and adopted, and are now in full force and effect:

BOARD RESOLUTION NO. ACR 2019/III-01

"RESOLVED, That the Board of Directors of Alsons Consolidated Resources, Inc. (the "Company") hereby appoints: (1) Editha I. Alcantara as Vice-Chair of the Board of Directors; and (2) Tirso G. Santillan, Jr. as Acting Chief Executive Officer of the Company, effective immediately, and they, along with the Chief Financial Officer, are hereby authorized to sign the Company's Statement of Management's Responsibility for its Audited Financial Statements."

2. The foregoing Board Resolutions have not been revoked, amended, or otherwise modified, and remain valid and binding on the Corporation.

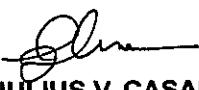
IN WITNESS WHEREOF, I have hereunto set my hand this APR 22 2019 day of April 2019 at Makati City.

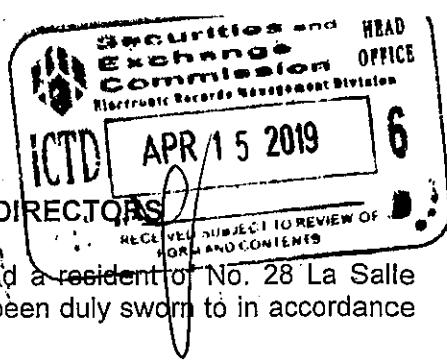

ROBERTO V. SAN JOSE
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this APR 22 2019 day of April 2019 at _____, Metro Manila, affiant having exhibited to me competent evidence of his identity consisting of his Passport Nº P1329913A, issued by the DFA, NCR South, on 20 December 2016, bearing his photograph and signature.

Doc. No. 20;
Page No. 5;
Book No. 1;
Series of 2019.
jqi/acr/403/19-03-01




FRITZ JULIUS V. CASAMA
Appointment No. M-508
Notary Public for Makati City
Until December 31, 2019
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 6896487;06-20-2018;Makati City
IBP No. 042250;05-22-2018;Makati Chapter
Roll No. 72116



CERTIFICATION OF INDEPENDENT DIRECTORS

I, JOSE BEN R. LARAYA, Filipino, of legal age and a resident of No. 28 La Salle Northeast Greenhills, San Juan, Metro Manila, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of ALSONS CONSOLIDATED RESOURCES, INC. and have been its independent director since year 2012.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Ultrex Management Investments Corporation	Chairman	October 1992-present
Laraya Holdings, Inc.	Chairman	May 2007-present
Trully Natural Food Corporation	President	Jan 2004-present
TWS Ventures, Inc.	Vice Chairman	Jan 2004-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALSONS CONSOLIDATED RESOURCES, INC., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (SEC).

4. I am not related to any / director / officer / substantial shareholder of ALSONS CONSOLIDATED RESOURCES, INC. and its subsidiaries and affiliates other than the relationship provide under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

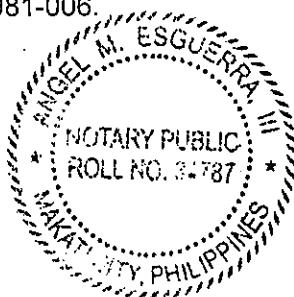
7. I shall inform the Corporate Secretary of ALSONS CONSOLIDATED RESOURCES, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 11 2019 at Makati City.

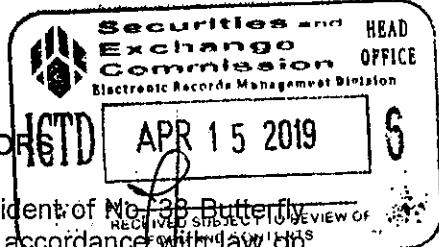

JOSE BEN R. LARAYA
Affiant

SUBSCRIBED AND SWORN to before me this APR 11 2019 at Makati City, affiant personally appeared before me and exhibited to me his Taxpayer's Identification Number (TIN) 137-981-006.

Doc. No. 502
Page No. 102
Book No. IV
Series of 2019.




ANGEL M. ESGUERRA, III
Notary Public for Makati City
Commission No. M-184
Roll No. 34787; 06/01/87
Until December 31, 2019
IUP Lifetime No. 09259; 06/01/1995; Pasay Chapter
PTR OK No. 7344124; 1/8/2019; Makati City
Alsons Bldg., 2284 Chino Roces Ave., Makati City



CERTIFICATION OF INDEPENDENT DIRECTOR

I, JACINTO C. GAVINO, JR., Filipino, of legal age and a resident of No. 138 Butterfly Street, Valle Verde 6, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of ALSONS CONSOLIDATED RESOURCES, INC. and have been its independent director since year 2012.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Center for Family Ministries	Board member & President	present
Sarangani Agricultural Co., Inc.	Board Member	2005-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALSONS CONSOLIDATED RESOURCES, INC., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any/director/officer/substantial shareholder of ALSONS CONSOLIDATED RESOURCES, INC. and its subsidiaries and affiliates other than the relationship provide under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of ALSONS CONSOLIDATED RESOURCES, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 11 2019 at Makati City.

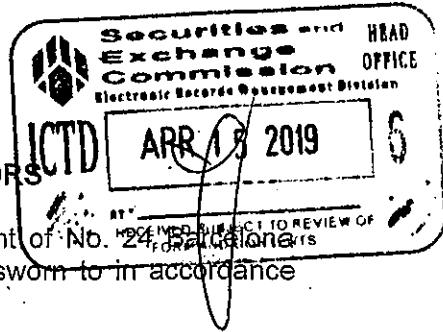

JACINTO C. GAVINO, JR.
Affiant

SUBSCRIBED AND SWORN to before me this APR 11 2019 at Makati City, affiant personally appeared before me and exhibited to me his Taxpayer's Identification Number (TIN) 123-104-984.

Doc. No. 503;
Page No. 102;
Book No. IV;
Series of 2019.




ANGEL M. ESGUERRA, III
Notary Public for Makati City
Commission No. M-184
Roll No. 34787; 06/01/87
Until December 31, 2019
BPI Lifetime No. 010259; 06/01/1995; Pasay Chapter
PTE CP No. 7344120; 1/8/2019; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City



CERTIFICATION OF INDEPENDENT DIRECTORS

I, THOMAS G. AQUINO, Filipino, of legal age and a resident of No. 122 Merville Street, Merville Park, Paranaque City 1709, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of ALSONS CONSOLIDATED RESOURCES, INC. and have been its independent director since year 2011.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
NOW Corporation	Chairman	2011-present
A Brown Company	Director	2012-present

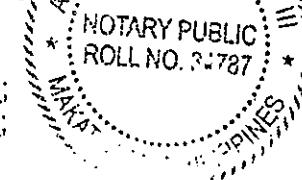
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALSONS CONSOLIDATED RESOURCES, INC., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (SEC).
4. I am not related to any/director/officer/substantial shareholder of ALSONS CONSOLIDATED RESOURCES, INC. and its subsidiaries and affiliates other than the relationship provide under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of ALSONS CONSOLIDATED RESOURCES, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 13 2019 at Makati City.

Thomas Aquino
THOMAS G. AQUINO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of _____ at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) 111-621372.

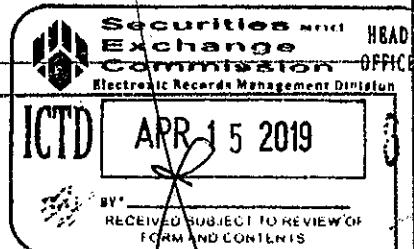
Doc. No. 510
Page No. 103
Book No. IV
Series of 2019.



Angel M. Escuerra, III
Angel M. Escuerra, III
Notary Public for Makati City
Commission No. M-184
Roll No. 34787; 06/01/87
Until December 31, 2019
IBP Lifetime No. 00259; 06/01/1995; Pasay Chapter
PTR OR No. 73-44120; 1/8/2019; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**



1. Date of Report (Date of earliest event reported)
Apr 12, 2019
2. SEC Identification Number
59366
3. BIR Tax Identification No.
001-748-412
4. Exact name of issuer as specified in its charter
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
ALSONS BLDG., 2286 CHINO ROCES AVE MAKATI CITY
Postal Code
1231
8. Issuer's telephone number, including area code
(632) 982-3000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00/PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-8 - Change in Directors and/or Officers (Resignation/Removal or Appointment/Election)

*References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

"ALSONS ANNOUNCES KEY APPOINTMENTS"

Background/Description of the Disclosure

The appointment of Editha I. Alcantara as Vice-Chair of the company's Board of Directors and Tirso G. Santillan, Jr. as acting Chief Executive Officer (CEO).

Ms. Alcantara is also currently ACR Treasurer while Mr. Santillan is the company's executive vice president. Both Ms. Alcantara and Mr. Santillan currently sit as directors in the ACR board.

Resignation/Removal or Replacement

Name of Person	Position/Designation	Effective Date of Resignation/Cessation of term (mmm/dd/yyyy)	Reason(s) for Resignation/Cessation
N.A.	N.A.	-	-

Election or Appointment

Name of Person	Position/Designation	Date of Appointment/Election (mmm/dd/yyyy)	Effective Date of Appointment/Election (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
				Direct	Indirect	
N.A.	N.A.	-	-	0	0	N.A.

Promotion or Change in Designation

Name of Person	Position/Designation	Date of Approval (mmm/dd/yyyy)	Effective Date of Change (mmm/dd/yyyy)	Shareholdings in the Listed Company		Nature of Indirect Ownership
				From	To	
Editha I. Alcantara	Director/Treasurer	Director/Treasurer and Vice Chair	04/11/2019	04/11/2019	100,000	0 N.A.

Tirso G. Santillan, Jr.	Director/EVP	Director/EVP and CEO	04/11/2019	04/11/2019	1	0	N.A.
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Other Relevant Information

Please see attached press release.

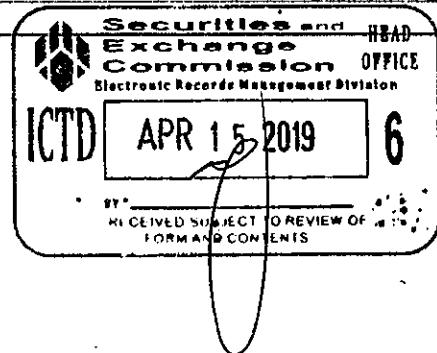
Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
 OF THE SECURITIES REGULATION CODE
 AND SRC RULE 17.2(c) THEREUNDER**

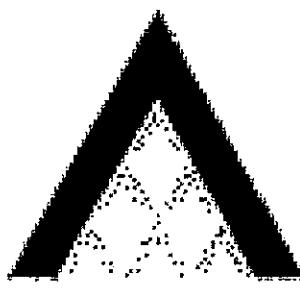
1. Date of Report (Date of earliest event reported)
 Apr 12, 2019
2. SEC Identification Number
 59366
3. BIR Tax Identification No.
 001-748-412
4. Exact name of issuer as specified in its charter
 ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation
 PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
 ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
 Postal Code
 1231
8. Issuer's telephone number, including area code
 (632) 982-3000
9. Former name or former address, if changed since last report
 n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA



Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00/PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein

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Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

'ALSONS ANNOUNCES KEY APPOINTMENTS'

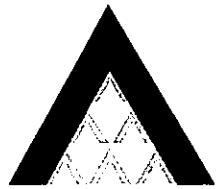
Background/Description of the Disclosure

Please see attached Press Release

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
2nd Floor, Alsons Building
2286 Chino Roces Ext., (formerly P. Tamo Ext.,) Makati City
1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

April 12, 2019

Securities & Exchange Commission
Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-In-Charge
Corporate Governance and Finance Department
Secretariat Bldg., PICC Complex,
Roxas Blvd., Pasay City

via PSE EDGE
Philippine Stock Exchange, Inc.
Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

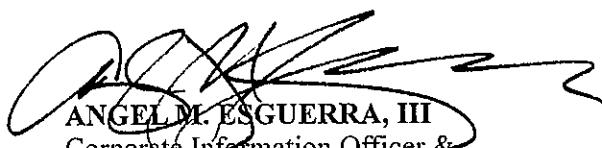
via electronic mail
Philippine Dealing & Exchange Corp.
Attn.: Atty. Joseph B. Evangelista
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled: "Alsons announces key appointments".

We trust that you will find the foregoing in order.

Very truly yours,



ANGEL M. ESGUERRA, III
Corporate Information Officer &
Assistant Corporate Secretary

Encl/
legal PSE-SEC17-c2019



PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

Alsons announces key appointments

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources Inc., (ACR) – the publicly listed company of the Alcantara Group – announced the appointment of Editha I. Alcantara as Vice-Chair of the company's Board of Directors and Tirso G. Santillan, Jr. as acting Chief Executive Officer (CEO).

Ms. Alcantara is also currently ACR Treasurer while Mr. Santillan is the company's executive vice president. Both Ms. Alcantara and Mr. Santillan currently sit as directors in the ACR board.

ACR earlier reported a significant surge in consolidated net income for 2018 of ₱562.95 million from ₱103 million in 2017. As in previous years, the key driver of revenue and income for ACR remains to be the Sarangani Energy Corp. (SEC) baseload coal-fired power plant in Maasim, Sarangani Province.

The SEC plant's first section with a capacity of up to 105 megawatts (MW) began operating in April 2016 and currently delivers power to more than three million people in the General Santos-Sarangani area and other parts of Mindanao. The plant's second section is currently in the commissioning stage and is targeting to start commercial operations in the middle of 2019. SEC 2 is set to contribute another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao when it begins operating later this year.

Other projects in ACR's pipeline include the ₱4.25 billion 14.5 MW run-of-river hydroelectric power project at the Siguil River basin in Maasim, Sarangani Province – ACR's initial entry in renewable energy (RE) – and the 105 MW San Ramon Power, Inc. (SRPI) baseload coal-fired power plant in Zamboanga City.

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C01773-2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Mar 22, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

9. Former name or former address, if changed since last report

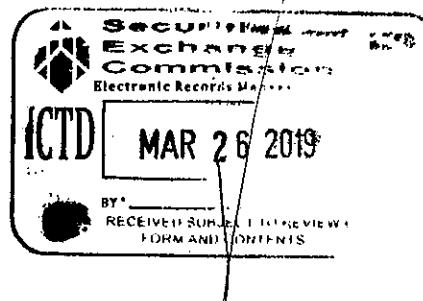
N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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COMMON STOCK P1.00/PAR VALUE	6,291,500,000
------------------------------	---------------

11. Indicate the item numbers reported herein



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Alsons Consolidated Resources, Inc. ACR

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting

*References: SRC Rule 17 (SEC Form 17-C) and
Sections 7 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING

Background/Description of the Disclosure

Please be advised that in a board meeting held, 21 March 2019, The Board approved the date of the Annual Stockholders' Meeting of ACR on 30 May 2019 and the record date on 05 April 2019.

Type of Meeting

Annual

Special

Date of Approval by
Board of Directors Mar 21, 2019

Date of Stockholders'
Meeting May 30, 2019

Time 2:00 P.M.

Venue TBA

Record Date Apr 5, 2019

Agenda TBA

Inclusive Dates of Closing of Stock Transfer Books

Start Date N/A

End Date	N/A
Other Relevant Information	
Please see attached.	

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)

Mar 22, 2019

2. SEC Identification Number

59366

3. BIR Tax Identification No.

001-748-412

4. Exact name of issuer as specified in its charter

ALSONS CONSOLIDATED RESOURCES, INC.

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES

Postal Code

1231

8. Issuer's telephone number, including area code

(632) 982-3000

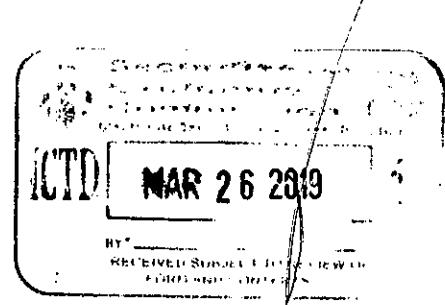
9. Former name or former address, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

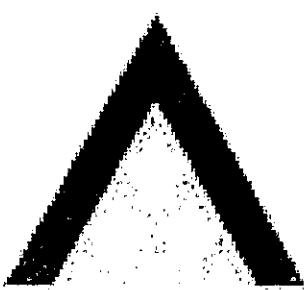
Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00/PAR VALUE	6,291,500,000

11. Indicate the item numbers reported herein



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Alsons Consolidated Resources, Inc. ACR

**PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules**

Subject of the Disclosure

"ACR POSTS SIGNIFICANT NET EARNINGS GROWTH"

Background/Description of the Disclosure

Amended due to additional audit adjustment, please refer to the highlighted portion.

Other Relevant Information

Please see attached amended news articles.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



Alsons Consolidated Resources, Inc.

PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

ACR posts significant net earnings growth

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources Inc., (ACR) - the publicly listed company of the Alcantara Group - reported consolidated net income for 2018 of **₱562.95 million** from ₱103 million in 2017. As in previous years, the key driver of revenue and income for ACR remains to be the Sarangani Energy Corp. (SEC) baseload coal-fired power plant in Maasim, Sarangani Province.

The SEC plant's first section with a capacity of up to 105 megawatts (MW) began operating in April 2016 and currently delivers power to more than three million people in the General Santos-Sarangani area and other parts of Mindanao. The plant's second section is currently in the commissioning stage and is targeting to start commercial operations in the middle of 2019. SEC 2 is set to contribute another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao when it begins operating in 2019.

In its filing with the PSE, ACR also reported an increase in its consolidated revenues in 2018 to ₱6.66 billion, a 2% improvement from the ₱6.51 billion reported in the previous year. This was due mainly to increased energy dispatched by the SEC plant in 2018.

ACR's 2018 operating profit also went up 9% to ₱1.49 billion from the ₱1.37 billion reported in the previous year. Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from ₱2.32 billion in 2017 to 2.66 billion in 2018 with EBITDA margin at 40% in 2018 versus the 36% in 2017. Income attributable to the parent improved significantly from a loss of ₱21 million in 2017 to an income of ₱93.5 million in 2018.

Other projects in ACR's pipeline include the ₱4.25 billion 14.5 MW run-of-river hydroelectric power project at the Siguil River basin in Maasim, Sarangani Province - ACR's initial entry in renewable energy (RE) and the 105 MW San Ramon Power, Inc. (SRPI) baseload coal-fired power plant in Zamboanga City.

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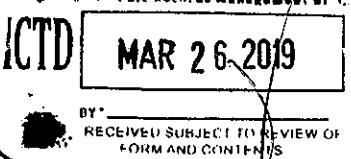
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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)	Mar 22, 2019	
2. SEC Identification Number	59366	
3. BIR Tax Identification No.	001-748-412	
4. Exact name of issuer as specified in its charter	ALSONS CONSOLIDATED RESOURCES, INC.	
5. Province, country or other jurisdiction of incorporation	PHILIPPINES	
6. Industry Classification Code(SEC Use Only)		
7. Address of principal office	ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES Postal Code 1231	
8. Issuer's telephone number, including area code	(632) 982-3000	
9. Former name or former address, if changed since last report	N/A	
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA		

Number of Shares of Common Stock Outstanding and Amount of Debt



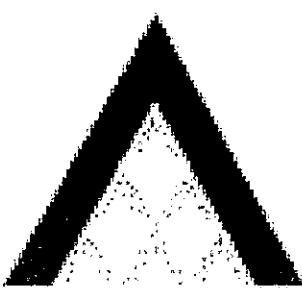
**COMMON STOCK P1.00/PAR
VALUE**

6,291,500,000

11. Indicate the item numbers reported herein

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate

disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

"ACR POSTS SIGNIFICANT NET EARNINGS GROWTH"

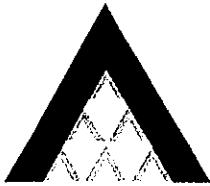
Background/Description of the Disclosure

PLEASE SEE ATTACHED.

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



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(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
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1231 Metro Manila Philippines
Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

March 21, 2019

Philippine Stock Exchange

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGS, Taguig City

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Gumtang-Remalante
Officer-in-Charge
Corporate Governance and Finance Department.
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Gentlemen:

Please be advised that in a board meeting held, 21 March 2019, the Board of Directors of Alsons Consolidated Resources, Inc. ("ACR"), approved the Audited Financial Statement for the year 2018 as audited by the firm Sycip Gorres Velayo & Co.

The Board of Directors also approved the date of the Annual Stockholders' Meeting of ACR on 30 May 2019 and the record date on 05 April 2019.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: "ACR posts significant net earnings growth".

We trust that you find the foregoing in order.

Very truly yours,



ANGEL M. ESQUERRA, JR.

Alternate Information Officer &
Assistant Corporate Secretary

Encl/
legal PSE-SEC17-c2019

PRESS RELEASE

Please Refer to: Robert F. Yenko, Chief Financial Officer, Alsons Consolidated Resources, Inc.
ryenko@alcantaragroup.com (02) 982 3026

ACR posts significant net earnings growth

In a disclosure to the Philippine Stock Exchange (PSE), Alsons Consolidated Resources Inc., (ACR) – the publicly listed company of the Alcantara Group – reported consolidated net income for 2018 of ₱529 million from ₱103 million in 2017. As in previous years, the key driver of revenue and income for ACR remains to be the Sarangani Energy Corp. (SEC) baseload coal-fired power plant in Maasim, Sarangani Province.

The SEC plant's first section with a capacity of up to 105 megawatts (MW) began operating in April 2016 and currently delivers power to more than three million people in the General Santos-Sarangani area and other parts of Mindanao. The plant's second section is currently in the commissioning stage and is targeting to start commercial operations in the middle of 2019. SEC 2 is set to contribute another 105 MW of baseload power to benefit an additional three million people in various parts of Mindanao when it begins operating in 2019.

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SEC FORM 17-C

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Mar 22, 2019

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ALSONS CONSOLIDATED RESOURCES, INC.

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PHILIPPINES

6. Industry Classification Code(SEC Use Only)

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ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY, PHILIPPINES

Postal Code

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8. Issuer's telephone number, including area code

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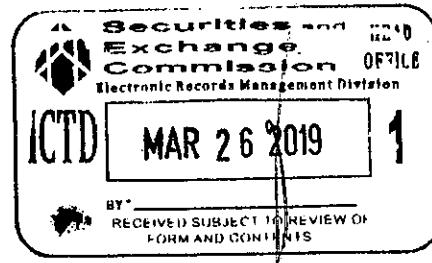
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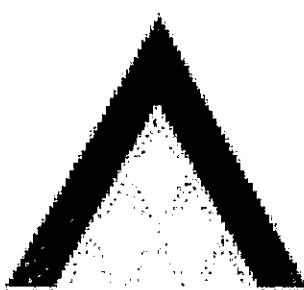
Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Alsons Consolidated Resources, Inc.

ACR

PSE Disclosure Form 4-30 - Material Information/Transactions

**References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules**

Subject of the Disclosure

AUDITED FINANCIAL STATEMENT FOR THE YEAR 2018

Background/Description of the Disclosure

Please be advised that in a meeting on 21 March 2019, the Board of Directors of ACR approved the AFS for the year 2018 as audited by the firm Sycip Gorres Velayo & Co.

Other Relevant Information

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager



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March 21, 2019

Philippine Stock Exchange

Attn.: Ms. Janet A. Encarnacion
Head – Disclosure Department
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9th Floor, PSE Tower, BGS, Taguig City

Securities & Exchange Commission

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ANGEL M. VSGUERRA, III

Alternate Information Officer &
Assistant Corporate Secretary

Encl/
legal PSE-SEC17-c2019

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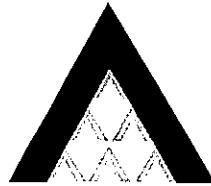
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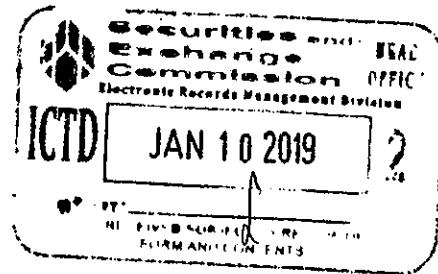
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January 7, 2019

Securities and Exchange Commission (SEC)
Corporate Governance and Finance Department
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: Director Rachel Esther J. Gumtang-Remalante
Officer-in-Charge

Re: Report on Attendance of Directors at 2018
Board of Directors Meetings

Gentlemen:

In compliance with SEC Memorandum Circular No. 1, series of 2014, we hereby formally advise the Commission of the following:

1. The following table summarizes the attendance of the directors of **ALSONS CONSOLIDATED RESOURCES, INC.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2018.

	Name	Date of Election/ Reelection	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman	TOMAS I. ALCANTARA	May 24, 2018	8	8	100%
Board Member	EDITHA I. ALCANTARA	May 24, 2018	8	8	100%
Board Member	ALEJANDRO I. ALCANTARA	May 24, 2018	8	4	50%
Board Member	ARTURO B. DIAGO, JR.	May 24, 2018	8	7	88%
Board Member	TIRSO G. SANTILLAN, JR.	May 24, 2018	8	8	100%
Board Member	CONRADO C. ALCANTARA	May 24, 2018	8	8	100%
Board Member	HONORIO A. POBLADOR III	May 24, 2018	8	6	75%

Board Member	RAMON T. DIOKNO	May 24, 2018	8	7	88%
Independent Director	JOSE BEN R. LARAYA	May 24, 2018	8	8	100%
Independent Director	JACINTO C. GAVINO, JR.	May 24, 2018	8	8	100%
Independent Director	THOMAS G. AQUINO	May 24, 2018	8	8	100%

2. The Board of Directors of the Company held its meetings in the year 2018, specifically on the following dates:

Date of Meeting	Nature of Meetings
February 22, 2018	Regular
March 22, 2018	Regular
May 10, 2018	Regular
May 24, 2018	Special
May 24, 2018	Organizational
August 23, 2018	Regular
November 22, 2018	Regular
December 13, 2018	Regular

3. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors in year 2018.

4. The Corporation held its annual stockholders' meeting on May 24, 2018. The Chairman of the Board, President and all the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on May 24, 2018.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,


 Angel M. Esguerra, III
 Asst. Corporate Secretary and
 Alternate Compliance Officer

Annex "A"
Meetings of the Board of Directors for the Year 2018

Date of Special and Regular Board Meetings
[Legend: Present (✓), Absent (x)]

	02-22	03-22	05-10	05-24	05-24	08-23	11-22	12-13
Names of Directors	RM	RM	RM	SM	OM	RM	RM	RM
1. Tomas I. Alcantara	✓	✓	✓	✓	✓	✓	✓	✓
2. Editha I. Alcantara	✓	✓	✓	✓	✓	✓	✓	✓
3. Alejandro I. Alcantara	✓	✓	✓	x	x	x	✓	x
4. Arturo B. Diago, Jr.	✓	✓	x	✓	✓	✓	✓	✓
5. Tirso G. Santillan, Jr.	✓	✓	✓	✓	✓	✓	✓	✓
6. Conrado C. Alcantara	✓	✓	✓	✓	✓	✓	✓	✓
7. Honorio A. Poblador III	✓	✓	x	✓	✓	✓	✓	x
8. Ramon T. Diokno	✓	✓	✓	✓	✓	✓	x	✓
9. Jose Ben R. Laraya	✓	✓	✓	✓	✓	✓	✓	✓
10. Jacinto C. Gavino, Jr.	✓	✓	✓	✓	✓	✓	✓	✓
11. Thomas G. Aquino	✓	✓	✓	✓	✓	✓	✓	✓

Legend:

✓ - Present
 X - Absent
 RM - Regular Board Meeting
 SM - Special Board Meeting
 OM - Organizational Board Meeting

Alsons Consolidated Resources, Inc. and Subsidiaries

**Minutes of the Annual Stockholders' Meeting held
on May 30, 2019 and Summary of Relevant
Resolutions Approved by the Board of Directors**

ALSONS CONSOLIDATED RESOURCES, INC.

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

Held at the Ballroom, New World Makati Hotel
Esperanza Street corner Makati Avenue, Makati City, Philippines
on 30 May 2019 at 2:00 p.m.

CALL TO ORDER

The Chairman of the Board of Directors and President of the Company, Mr. Tomas I. Alcantara,¹ called the meeting to order and presided over the same. The Corporate Secretary, Atty. Roberto V. San Jose, recorded the minutes of the proceedings.

The Chairman informed that the Company's Executive Vice President, Mr. Tirso G. Santillan, Jr., would preside over the meeting. Mr. Santillan notified the stockholders of the attendance of the following directors at the meeting:

1. Tomas I. Alcantara	7. Honorio A. Poblador III
2. Editha I. Alcantara	8. Arturo B. Diago, Jr.
3. Alejandro I. Alcantara	9. Jose Ben R. Laraya (Independent Director) ²
4. Conrado C. Alcantara	10. Thomas G. Aquino (Independent Director)
5. Ramon T. Diokno	11. Jacinto C. Gavino, Jr. (Independent Director)
6. Tirso G. Santillan, Jr.	

CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that notices of the meeting and the Definitive Information Statement had been timely sent, by personal delivery or by mail, to all stockholders of record prior to date of the Annual Stockholders Meeting in compliance with the By-laws.

The Corporate Secretary also reported that, based on the certification of the Stock and Transfer Agent, there were present at the meeting, in person or by proxy, stockholders holding or representing at least 10,531,047,000, or 89.31% of the outstanding capital stock of 11,791,500,000 common or preferred shares entitled to vote, and that a quorum was, therefore, present for the transaction of business. He also explained the voting procedures and general protocol for the meeting upon the request of the Chairman. (The list of stockholders present or represented by proxy during said meeting is on file at the offices of the Company.)

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chairman proceeded to the next matter on the agenda, which was the approval of the minutes of the annual stockholders' meeting held on May 24, 2018. He said that copies of said Minutes had been earlier distributed to the stockholders.

There was a motion to dispense with the reading of the Minutes considering that copies of said Minutes had been earlier distributed to the stockholders, and to approve the same without reading. Another stockholder seconded the motion. The Corporate Secretary informed the Chairman that, for the record, they received proxies

¹ Mr. Tomas I. Alcantara is the Chairman of the Board and President, Chairman of the Executive Committee, Chairman of the Compensation Committee and Chairman of the Nominations Committee.

² Mr. Jose Ben R. Laraya is the Chairman of the Audit Committee.

the Corporate Secretary to vote in favor of approving the corporate acts. Considering the sufficiency of the affirmative votes and there being no objection, the motion was duly approved and the stockholders resolved as follows:

Resolution No. 3, Series of 2019

"RESOLVED, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Company from the date of the last annual stockholders' meeting up to the present be, as they are hereby, approved, ratified and confirmed."

APPOINTMENT OF ELECTION INSPECTORS

The next matter on the agenda was the appointment of the election inspectors. The Chairman asked the Corporate Secretary to explain about the said election inspectors. The Corporate Secretary explained that the By-Laws of the Company allow the stockholders to appoint three persons as inspectors at each annual meeting of stockholders. Since a special committee of inspectors, consisting of the Office of the Corporate Secretary and the Stock and Transfer agent, was earlier constituted to inspect and validate the proxies, he suggested that the same committee be appointed as Election Inspectors.

A motion, duly seconded, was made for the appointment of the special committee of inspectors, consisting of the Office of the Corporate Secretary and the Stock and Transfer agent, as Election Inspectors. The Corporate Secretary informed the Chairman that their proxies of at least 89.33% of the outstanding capital stock, instructed the proxy holder or the Chairman or the Corporate Secretary to vote in favor of approving the matter. Considering the sufficiency of the affirmative votes and there being no objection, the motion was duly approved and the stockholders resolved as follows:

Resolution No. 4, Series of 2019

"RESOLVED, that the special committee of inspectors, consisting of the Office of the Corporate Secretary and the Stock and Transfer agent, be appointed as Election Inspectors."

ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors. Upon query from the Chairman, the Corporate Secretary explained that in accordance with the Company's Corporate Governance Manual, all nominations for directors were reviewed and approved by the Nominations Committee. Under the rules of the Securities and Exchange Commission (SEC), only nominees whose names have been submitted to and evaluated by the Nominations Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement, shall be eligible for election as Independent Directors. Further, under Rule 38 of the Securities Regulation Code (SRC), no other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The Corporate Secretary informed the Chairman that the Company received the nominations stated below for regular and independent directors for the term 2019-2020

Thereupon, a motion was made, duly seconded, for the declaration of the 11 candidates who earned the highest number of votes as the duly elected members of the Board of Directors of the Company for the year 2019-2020. There being no objection, the Chairman declared the 11 candidates as the duly elected members of the Board of Directors of the Company for the ensuing term to act as such until their successors are duly elected and qualified in accordance with the By-Laws. The Chairman also acknowledged the election of Messrs. Jose Ben R. Laraya, Jacinto C. Gavino, Jr. and Thomas G. Aquino as the Company's independent directors.

APPOINTMENT OF EXTERNAL AUDITORS

The next item on the agenda was the appointment of the Company's external auditor. The Chairman asked the Chairman of the Audit Committee, Independent Director Jose Ben R. Laraya, to share the Committee's recommendation on the matter.

Mr. Jose Ben R. Laraya informed the Chairman that the Audit and Governance Committee had reviewed the qualifications and performance of the Company's external auditor SGV & Co., and is endorsing their reappointment for the current year. A motion, duly seconded, was made for the re-appointment of the accounting firm SGV & Co. as external auditor of the Company for the current year. The Corporate Secretary informed the Chairman that their proxies representing 89.34% of the outstanding capital stock, instructed the proxy holder or the Chairman or the Corporate Secretary to vote in favor of the re-appointment of the accounting firm SGV & Co. as external auditor of the Company. Considering the sufficiency of the affirmative votes and there being no objection, the motion was duly approved and the stockholders resolved as follows:

Resolution No. 5, Series of 2019

"RESOLVED, that the auditing firm SGV & Co. be, as it is hereby, re-appointed as the Company's external auditor for the current year 2019-2020."

ADJOURNMENT

There being no further business to transact, and on motion duly made and seconded, the meeting was adjourned.

ROBERTO V. SAN JOSE
Corporate Secretary

ATTESTED:

TIRSO G. SANTILLAN, JR.
Executive Vice-President/ Director

ALONS CONSOLIDATED RESOURCES, INC.
SUMMARY OF RELEVANT RESOLUTIONS
APPROVED BY THE BOARD OF DIRECTORS
(For the Period: January – December 2019)

REGULAR BOARD MEETING

17 January 2019

The Board of Directors approved the Corporation's budget for the year 2019.

REGULAR BOARD MEETING

21 March 2019

The Board of Directors approved the conversion of the Corporation's Php2.2B preferred shares in Alsons Development and Investments Corporation (ALDEVINCO) to voting common shares.

The Board approved the Audited Financial Statements of the Corporation for the year ended December 31, 2018.

The Board set the date of the Annual Stockholders' Meeting of the Corporation on May 30, 2019 at the New World Makati Hotel.

REGULAR BOARD MEETING

11 April 2019

The Board authorized Editha I. Alcantara as Vice Chair of the Board of Directors and Tirso G. Santillan, Jr as Acting Chief Executive Officer of the Company, together with the Chief Financial Officer, Robert F. Yenko to sign the Company's Statement of Management's Responsibility for its Audited Financial Statements.

The Board then approved to update its list of signatories in all the accounts of the Corporation with any and all banks or other entities

SPECIAL BOARD MEETING

30 May 2019

The Board approved to declare a regular cash dividend of ₱0.0008 per share in favor of holders of preferred shares and ₱0.02 per share in favor of common shareholders out of the unrestricted retained earnings as of 31 December 2018, as of the record date of June 30, 2019, payable on or before July 25, 2019.

The Board then approved the Company's Integrated Annual Corporate Governance Report for the year 2018 and the information contained therein.

ORGANIZATIONAL MEETING**30 May 2019**

After the Regular Annual Stockholders' Meeting, the elected Board of Directors, met and the Board then elected its Chairman, the members of its Executive, Audit, Nomination and Compensation Committees, and its officers for the year 201

REGULAR BOARD MEETING**22 August 2019**

The Board approved the second quarter financial statements of the Company as presented to the Board.

The Board then approved the Company's Material Related Party Transactions Policy, in compliance with the Memorandum Circular No. 10, Series of 2019, issued by the Securities and Exchange Commission.

REGULAR BOARD MEETING**19 December 2019**

The Board approved the third quarter financial statements of the Company as presented to the Board.



Alsons Consolidated Resources, Inc.

(Listed in the Philippine Stock Exchange Trading Symbol "ACR")
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Tel. Nos.: (632) 982-3000 Fax Nos.: (632) 982-3077
Website: www.acr.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION,
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

The management of **Alsons Consolidated Resources, Inc.**, is responsible for the preparation and fair presentation of the Parent Company financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the parent company financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the parent company financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

TOMAS I. ALCANTARA
Chairman and President

TIRSO G. SANTILLAN, JR.
Executive Vice-President
EDITHA I. ALCANTARA
Treasurer

SUBSCRIBED AND SWORN to before me this MAY 28 2020 day of May 2020, in the presence of two claimants exhibiting to me their identifications, as follows:

Name	Identification No.	Date & Place of Issue
Tomas I. Alcantara	UMID#CRN-0111-0521374-6	Valid until 2/12/2023 LTO QC
Tirso G. Santillan, Jr.	DL#N17-72-00977	07-29-15 / DFA NCR South
Editha I. Alcantara	EC4769595	

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Series of 2020

ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC

Until December 31, 2020
IBP No. 101004/1-03-2020/PPLM
PTR No. 2216225/1-02-2020/Paranaque
Roll No. 41901
Not. Com. No. 119-2019/1-07-2019
55 Molave Ave., Merville, Paranaque City

ANGEL M. ESGUERRA, II
Notary Public
for Makati City until December 31, 2021
Commission No. M-218; Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/1995; Pasay Chapter
PTR OR No. 8121644; 01/06/20; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City