

## 4. Financials

- a. SEC Form 17A
- b. SEC Form 17-Q

# SEC Form 17A

# COVER SHEET

for  
SEC FORM 17A

SEC Registration Number

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Company Name

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

Principal Office (No./Street/Barangay/City/Town/Province)

A	L	S	O	N	S		B	U	I	L	D	I	N	G	,		2	2	8	6		C	H	I	N	O			
R	O	C	E	S		A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y	,				
M	E	T	R	O		M	A	N	I	L	A	,		P	H	I	L	I	P	P	I	N	E	S					

Form Type

1	7	-	A
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

legal@alcantaragroup.com

Company's Telephone Number/s

8982 - 3000

Mobile Number

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No. of Stockholders

448

Annual Meeting  
Month/Day

Any day of May

Fiscal Year  
Month/Day

December 31

## CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Jonathan F. Jimenez

Email Address

jjimenez@alcantaragroup.com

Telephone Number/s

8982-3000

Mobile Number

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Contact Person's Address

Alsons Building, 2286 Chino Roces Avenue, Makati City

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

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

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-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 2021
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<br>Outstanding and Amount of Debt<br>Outstanding |
|-------------------------------------|---|
| <u>Common Stock ₱1.00 par value</u> | <u>6,291,500,000 Shares</u>   |
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 there under or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):  
Yes ☒ 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:  
₱1,298,162,453.91  
Assumption: Based on Closing Price of ₱1.03 as of 6 April 2022 and on 1,260,351,897 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 ACR's vehicle for developing renewable energy (RE) projects. AREC currently holds 100% equity in the following subsidiaries: 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. ATEC was organized on November 23, 2015 as a holding company for ACR's coal-fired thermal power assets. ACR transferred its ownership in Sarangani Energy Corporation (SEC) 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 SEC 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, developed thru long years of experience as the island's first independent power producer; 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.

ACR's four (4) power generation subsidiaries, Western Mindanao Power Corporation (WMPC), Southern Philippines Power Corporation (SPPC), Mapalad Power Corporation (MPC) and Sarangani Energy Corporation (SEC), 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. WMPC currently provides power to Zamboanga City thru a power sales agreement (PSA) with the Zamboanga City Electrical Cooperative (Zamcelco). 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.

SEC'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. The construction phase of this project is in full swing and the Company expects commercial operations to begin in the first half of 2023. 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 2025.

### **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 Exconomic 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. At present, the Company continues to be under the care and maintenance activities wherein your Company implemented various safety, environment and health programs together with our host communities.

In the last quarter of 2019, the Company started the process of transferring the MPSA which is currently under the name of Alsons Development and Investment Corporation. However, the processing of the documents to implement the transfer encountered numerous setbacks as a result of prolonged lockdowns in both the Region XI and the National Office of the Mines and Geosciences Bureau, the agencies where the documents were submitted and evaluated and eventually.

With the above difficulties, we revised the transfer target to be completed by the first half of 2022 as we simultaneously work on the renewal and extension of the MPSA which is due to expire in November 2022.

**Status of publicly-announced new projects**

1. The 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. The construction phase of this project is in advanced stage and the Company expects commercial operations to begin in the second quarter of 2023. The other hydro projects currently in pipeline include the 22-MW Siayan (Sindangan) hydro plant in Zamboanga del Norte; and the 42-MW Bago Hydro plant in Negros Occidental.
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 and targeted to go online by 2025.

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		
	2021	2020	2019	2021	2020	2019
Energy and Power	₱10,047	₱9,464,453	₱6,783,110	100%	100%	100%
Property Development	7,657	6,337	12,986	0%	0%	0%
	₱10,054,511	₱9,470,790	₱6,796,096	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 1 Electric Cooperative, Inc.	10
Zamboanga del Sur 1 Electric 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 effectivity. It provides: (i) cross ownership restrictions between transmission and generation companies, and between transmission and distribution companies; and (ii) a cap of 50% on the demand of a distribution utility sourced from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA; and (iii) specifically relating to generation companies, a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) which aims to recalibrate to make it more relevant and responsive to the needs of businesses negatively affected by the COVID-19 pandemic, and to improve the ability of the Philippines to attract highly desirable investments that will serve the public interest. The CREATE bill seeks to lower corporate income tax rates and to rationalize fiscal incentives.

The corporate income tax immediately reduced from the current 30 percent to 20 percent for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than ₱5 million. The corporate income tax of all other corporations, meanwhile, was lowered to 25 percent. The law also lowered the minimum corporate income tax (MCIT) from 2 percent to one percent effective July 2021 until June 30, 2023.

On the fiscal incentives, the total period of incentive availment has been increased to a maximum of 17 years. The length of the period of incentives takes into account the location and type of the registered activity

Highly-desirable projects with a minimum investment capital of PHP50bn or those that can generate at least 10,000 employees, can enjoy a superior incentive package for up to 40 years which includes ITH for a maximum of 8 years. The sunset period for existing registered business enterprises (RBE) enjoying ITH can continue to enjoy the same within the remaining ITH period while firms enjoying 5% GIT can continue to enjoy the same for 10 years. Existing RBEs may re-apply for the fiscal incentives under the CREATE bill after the lapse of the sunset period.

Approval of fiscal incentives for new projects or activities with investment capital of PHP1bn and below shall be delegated to their respective Investment Promotion Agencies (IPA). Fiscal incentives application for projects or activities with investment capital exceeding PHP1bn shall be subject to the approval of the Fiscal Incentives Review Board (FIRB)

Duty exemption on certain importations, VAT exemption on importations, and VAT zero-rating on local purchases shall still apply.

The reduction of income tax rates will have 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, 2021, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 488 employees, broken down as follows: 14 executives, 24 managers, 132 supervisors and 318 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) ₱ 771,967 in 2021; (2) ₱461,176 in 2020; and, (3) ₱2,022,841 in 2019.

**10. Investment Acquisition**

On August 27, 2019, the Board of Indophil Resources Phils, Inc. (IRPI) approved the equity call to all existing sahareholders amounting to ₱52.50 per share. On September 30, 2019, ACR participated and paid IRPI ₱2,977,452 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 and 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, 2021	December 31, 2020
Main Engine of Power Plant Structures and Others	<b>₱30,911,974</b>	₱30,770,855
Plant Mechanical, Switchyard and Desulfurization Equipment	<b>7,270,737</b>	7,244,961
Land, Buildings and Leasehold Improvements	<b>575,761</b>	575,255
Machinery and Other equipment	<b>1,461,411</b>	1,427,079
Right of Use Assets	<b>48,953</b>	35,274
Construction in Progress	<b>2,673,300</b>	2,065,409
Total	<b>42,942,136</b>	42,118,833
Less: Accumulated Depreciation and Amortization	<b>(14,847,299)</b>	(13,323,061)
<b>Net Book Value</b>	<b>₱28,094,837</b>	₱28,795,772

### 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, MPC 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 October 14, 2020, the Company filed a Motion to Resolve with the Commission on Audit (COA) requesting COA to immediately resolve the Petition for Money Claim.

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**

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
2021	High	₱1.37	₱1.40	₱1.36	₱1.24
	Low	0.61	1.23	1.15	1.03
2020	High	1.37	1.46	1.44	1.49
	Low	0.61	0.83	1.13	1.19
2019	High	1.58	1.48	1.42	1.34
	Low	1.28	1.36	1.29	1.21

Stock Price as of April 6, 2022 was at ₱1.03 per share.

## 2. Stockholders

As of December 31, 2021, ACR has 6,291,500,000 shares outstanding held by 452 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 2 – Top Twenty (20) Stockholders**

	<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1.	Alsons Corporation	2,592,524,072	41.21%
2.	Alsons Power Holdings Corp.	1,249,999,599	19.87%
3.	Alsons Development and Investment Corp.	1,188,524,026	18.89%
4.	PCD Nominee Corporation (Filipino)	1,168,240,925	18.57%
5.	PCD Nominee Corporation (Non-Filipino)	61,530,126	0.98%
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.	Ansald, 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%
	<b>Total shares of top 20</b>	<b>6,277,306,758</b>	<b>99.78%</b>

## 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
2021	May 20, 2021	₱125,830,000	₱0.020	June 30, 2021	July 23, 2021
2020	July 9, 2020	125,830,000	₱0.02	July 23, 2020	August 4, 2020
2019	May 30, 2019	125,830,000	0.02	June 30, 2019	July 24, 2019

Dividends on preferred shares amounting to ₱4 million in 2021, 2020 and 2019 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 2021 vs. 2020 OPERATIONS**

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

**1. Revenues and Profitability**

ACR and Subsidiaries posted a 6% increase in its consolidated revenues during the year at ₱ 10,055 million from the ₱9,471 million reported in the previous year. The improvement was due mainly to Sarangani's improved operations.

Cost of services increased by 33% at ₱6,255 million from ₱4,688 million in 2020 due mainly to the higher fuel cost as well as higher energy dispatched by WMPC in 2021.

General and administrative expenses increased by 27% at ₱678 million in 2021 from ₱535 million in 2020. The increase was due mainly to the higher taxes and licenses, personnel cost, and bad debt expenses, transportation cost, outside services, and covid-related expenses as a result of easing lockdowns during the year. As a result, operating profit decrease from ₱4,248 million to ₱3,121 million in 2020. The last year's income includes the one-time recognition of revenue loss compensation charged to EPC contractor of Sarangani 2 as a result of the delay in completing the Plant.

The Company continues to post strong earnings before interest, taxes, depreciation and amortization (EBITDA) registering ₱4,709 million in 2021, albeit 22% lower than last year's ₱6,061 million. The last year's revenue includes "the revenue loss compensation" paid by JGC for the delay in the completion of Sarangani 2 Plant. The resulting EBITDA margin is 47% from 64% from last year.

Meanwhile, finance charges decrease by 19% from ₱2,111 million in 2020 to ₱1,717 million in 2021. The decrease was due to the settlement of maturing loans of Sarangani during the year. Interest income on the other hand decrease by 61% from ₱42 million income earned in 2020 to ₱16 million this year. The decrease was due mainly to lower interest rates on placements during the year which is below 1% on the average.

Equity in net earnings coming from the Company's share in Aviana Development Corp. posted higher results in 2021 of ₱72 million from ₱64 million in the previous year due mainly to the improved performance of the Company.

The Company's negative Other Income of ₱7 million is lower in 2021 from ₱81 million in 2020 due mainly to lower foreign exchange loss as a result of stronger Peso during the year.

As a result of the foregoing, the consolidated net income posted steady result of ₱1,321 million. The income attributable to Parent of ₱405 million is 24% better than last year's ₱325 million posting an earnings per share of ₱0.064 from ₱0.051 last year.

## 2. Financial Position

As of December 31, 2021, total resources of ACR and Subsidiaries remained strong at ₱47,754 million, increased by 3% versus the ₱46,415 million level reported in 2020.

Current assets posted a significant increase of 19% from ₱9,393 million in 2020 to ₱11,204 million this year. The increase came largely from higher trade and other receivables. In 2020, the Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms. Spare parts and supplies also increased by 81% from ₱839 million to ₱1,517 million due mainly to the higher coal costs.

Noncurrent assets slightly decrease by 1%, due mainly to the recognition of depreciation expense on the Company's property, plant and equipment and partly offset by the cost incurred for the cost of Siguil's Plant which is currently under construction.

Current liabilities increased by 8% from ₱8,847 million to ₱9,530 million, largely on the availment of short-term notes payable by the Parent Company which were mostly used for the construction Siguil. Noncurrent liabilities, on the other hand, decreased by 7% due to the amortization of maturing long-term debt and partly offset by the recognition of deferred credit arising from the collection of a grant for the Siguil Hydro project.

Equity increased by 14% from ₱15,704 million to ₱17,952 million due mainly to the increase in non-controlling interest as a result of the conversion of related party advances in ATEC into equity as well as the income earned during the year.

ACR posted a current ratio of 1.18:1 in 2021 as compared to 1.06:1 in 2020 mainly due to the higher current assets brought about by the increase in trade and other receivables as well as spare parts and supplies.

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 significantly from ₱1,487 million to ₱497 million this year due mainly to the lower cost for capital expenditures. This year's expenditures focused mainly on the construction of Siguil Hydro Power Plant Project. Net cash outflows from financing activities amounted to ₱2,666 million is likewise lower than last year's ₱3,598 million. This is due mainly to the lower payment of loans and long-term debt as well as interest. The net cash balance after accounting for the above changes reached ₱2,864 million, slightly higher than the ₱2,703 million in the previous year.

### 3. Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2021 showed stable gross profit at ₱4,783 million compared to last year's ₱2,556 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

**Table 1 – Comparative KPIs (2021 Vs. 2020)**

Financial KPI	Definition	Calendar Year	
		2021	2020
<b>Profitability</b>			
Revenues		₱10,055	₱9,471
EBITDA		4,709	6,061
EBITDA Margin	EBITDA ÷ Net Sales	47%	64%
Return on Equity	Net Income ÷ Total Stockholders' Equity	7%	12%
<b>Net Earnings Attributable To Equity Holders</b>		₱405	₱325
<b>Efficiency</b>			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	22%	13%
<b>Liquidity</b>			
Net Service Coverage	Total Cash Available for for Debt Service ÷ Aggregate Principal and Interest during Next Period	2.32:1	2.78:1
Debt-To-Equity Ratio		1.71:1	1.88:1
Current Ratio	Current Assets ÷ Current Liabilities	1.18:1	1.06:1

#### **Profitability**

The earnings before interest, taxes, depreciation and amortization ("EBITDA") of the Company decreased from Php6,061 million in 2020 to Php4,709 million in 2021. The last year's revenue includes "the revenue loss compensation" paid by JGC Corporation for the delay in the completion of Sarangani Energy Corporation ("Sarangani") Phase 2 Plant. The resulting EBITDA margin is 47% in 2021, lower from 64% from last year.

Return on equity was also down from last year's 12% to 7% this year while the net income attributable to the equity holders of the parent improved to Php405 million from last year's Php325 million. All of the operating power plants continue to deliver positive results in spite of the COVID-19 lockdowns.

### **Efficiency**

The Company's operating expense ratio increased to 22% in 2021 from 13% in 2020. The operating power plants continue to improved their operating performance during the year.

### **Leverage and Liquidity**

The continued amortization of Sarangani's project loan which is partly offset by the additional short-term debts obtained by the Parent Company for the construction of Siguil Hydro Project resulted in financial debt decreased slightly by 0.7%. Consequently, net debt coverage ratio decreased to 11% from last year's 13%.

Current ratio on the other hand increased to 1.18:1 from last year's 1.06:1 due mainly to the higher balance of trade receivables and coal inventory.

### **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, 2021 and 2020 are presented in accordance with Philippine Financial Reporting Standards (PFRS) applied on a consistent basis.

*Seasonality Aspects of the Business*

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

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

1. Cash and cash equivalents, 6% Increase and Short-term investments, 6% Increase

The decrease in cash and cash equivalents (2021: ₱2,864 million vs. 2020: ₱2,703 million) was due mainly to the cash generated from operations of the Power Companies as well as additional short-term borrowings of the Parent Company which were used for the construction of Siguil Hydro Power Plant which is expected to begin commercial operations in 2023.

2. Trade and other receivables, 24% Increase

The increase was due to the timing of collection of trade receivables during the year. The Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms.

3. Spare parts and supplies, 81% increase

The increase was due mainly to the higher cost of coal inventories.

4. Noncurrent Portion of Trade Receivables, 93% decrease

The decrease was due to the collections made during the year. In 2020, the Company provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the Covid-19 Pandemic.

5. Investment in Real Estate, 69%, increase

The increase was due mainly to the additional lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate.

6. Advances to Constructors, 59% Decrease

The decrease was due to the reclassification to Construction-in Progress of the Completed portion of Sta. Clara's construction works for Siguil's hydro power plant and KAIEDC property transferred to its name during the year.

7. Property, Plant and Equipment, 2% Decrease

The decrease is due mainly to the depreciation expense recognized on SEC 1 and 2 during the year which is partly offset by the additional project cost incurred for the Construction of Siguil Hydro power plant.

8. Accounts payable and other current liabilities, 17% Decrease

The decrease was due to the conversion of liability to GBPC to non-controlling interest amounting to ₱1,880 million. This was partially offset by the unpaid purchases of coal during the months of November and December 2021.

9. Loans payable, 14% increase and short-term notes payable, 118% Increase

The increase in loans payable was due to additional loans availed during the months of November and December 2021 while the increase in notes payable represents additional commercial paper issuances in July and November 2021.

10. Income tax payable, 19% Increase

The increase was due to the higher taxable income earned during the year by all operating power Companies.

11. Lease Liability, 300% Increase

The increase was due to the recognition of additional lease obligations during the year.

12. Current Portion of Long-term Debt, 22% Increase  
Long-term debts – net of Current portion, 8% Decrease

The variances were due to recognition and settlement of maturing principal during the year.

13. Deferred Credit, 100% increase

The increase is due to the portion of Joint Credit Mechanism (JCM) grant received by SHPC during the year. As a background, SHPC entered into a grant agreement with Toyota Tsusho Corp. (TTC) and Ministry Environment of Japan (MEJ) in 2020. The Conditions attached to the grant are as follows:

- Construction of hydro power plant
- 50% carbon credits to be delivered to MEJ from start of operation and 22 years thereafter
- The MOA between SHPC and TTC requires SHPC to have an agreed PSA with SOCOTECO II or any other offer taker.

## **REVIEW OF CURRENT YEAR 2020 vs. 2019 OPERATIONS**

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

### **4. Revenues and Profitability**

ACR and Subsidiaries posted a 39% increase in its consolidated revenues during the year at ₱ 9,471 million from the ₱6,796 million reported in the previous year. This improvement was due mainly to SEC 2's full year of commercial operations which started on October 10, 2019.

Cost of services increased by 11% at ₱4,687 million from ₱4,237 million in 2019 due mainly to the cost associated to SEC 2 operations as well as higher energy dispatched by the WMPC in 2020.

General and administrative expenses was down by 10% at ₱535 million from ₱598 million in 2019. The decrease was due mainly to the lower transportation cost, outside services and marketing expenses as a result of lockdown brought about by Covid 19 Pandemic. As result, operating profit improved significantly from ₱1,958 million to ₱4,248 million in 2020

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved from ₱3,199 million to ₱6,061 million this year as a result of full year operations of SEC 2 resulting to higher EBITDA margin of 64% from last year's 47%.

Meanwhile, finance charges increase significantly by 95% from ₱1,081 million in 2019 to ₱2,111 million. The interest on project loan availed for SEC 2 are now expensed while in 2019 these were capitalized as part of project cost up to the time the Company declared commercial operations.

The Company's negative Other Income of ₱81 million is higher in 2020 from ₱25 million in 2019 due mainly to an impairment loss of goodwill associated to SPPC amounting to ₱115 million.

As a result of the foregoing, the consolidated net income posted significant increase from ₱974 million in 2019 to ₱1,868 million in 2019. The income attributable to Parent is 120% better than last year's ₱248 million to ₱325 million this year and posting an earnings per share of ₱0.051 from ₱0.023 last year.

## **5. Financial Position**

As of December 31, 2020, total resources of ACR and Subsidiaries remained strong at ₱46,415 million, increased by 2% versus the ₱45,609 million level reported in 2019.

Current assets posted a slight increase from ₱8,840 million in 2019 to ₱9,393 million this year. The increase came largely from higher trade and other receivables. In 2020, the Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms. Noncurrent assets slightly decrease by 1%, due mainly to the recognition of depreciation expense on the Company's property, plant and equipment and partly offset by the cost incurred for the cost of Siguil's Plant which is currently under construction.

Current liabilities decreased significantly by 27% from ₱12,051 million to ₱8,847 million, largely on account of refinancing of Company's Fixed Rate Corporate Note (FRCN) in December 2020 as well as lower short-term notes payable. Noncurrent liabilities, on the other hand, increased by 17% due to the reclassification of above maturing loan and partly offset by the additional decommissioning liability related to SEC 2.

ACR posted a current ratio of 1.06:1 for 2020 as compared to 0.73:1 in 2019 mainly due to the decrease in current liabilities as a result of refinancing of the the Company's FRCN loan.

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 ₱3,083 million to ₱2,018 million this year due mainly to the completion of SEC 2 in October 2019. This year's capital expenditures focused mainly on the construction of Siguil Hydro Power Plant Project. Net cash outflows from financing activities amounted to ₱3,693 million is significantly higher than the ₱33 million in 2019 due mainly to the payment of long-term debt. The total available funds of ₱8,414 million in 2020, from which ₱2,205 were used for power plant project construction during the year. The net cash balance after accounting for

the above changes reached ₱2,703 million, slightly lower than the ₱2,815 million in the previous year.

#### 6. Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2020 showed stable gross profit at ₱4,783 million compared to last year's ₱2,556 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

**Table 2 – Comparative KPIs (2020 Vs. 2019)**

Financial KPI	Definition	Calendar Year	
		2020	2019
<b>Profitability</b>			
Revenues		₱9,471	₱6,796
EBITDA		6,061	₱3,199
EBITDA Margin	EBITDA ÷ Net Sales	64%	47%
Return on Equity	Net Income ÷ Total Stockholders' Equity	12%	7%
<b>Net Earnings Attributable To Equity Holders</b>		₱325	₱148
<b>Efficiency</b>			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	13%	29%
<b>Liquidity</b>			
Net Service Coverage	Total Cash Available for for Debt Service ÷ Aggregate Principal and Interest during Next Period	2.78:1	2.85:1
Debt-To-Equity Ratio		1.88:1	2.82:1
Current Ratio	Current Assets ÷ Current Liabilities	1.06:1	0.73:1

#### Profitability

The earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company increased from ₱3,199 million to ₱6,061 million in 2020 due mainly to the full year operations of SEC 2 and improved performances of SEC 1 and WMPC. EBITDA Margin significantly improved from 47% in the previous year to 64% this year as a result of higher income.

Return on equity (ROE) was also up from last year's 7% to 12% this year while the net income attributable to the equity holders of the parent increased significantly to ₱325 million from last year's ₱148 million. The second section of SEC started commercial operations on October 10, 2019 and now in full year operations contributing ₱4,172 million in total revenues during the year.

### **Efficiency**

The Company's operating expense ratio decreased to 13% in 2020 from 29% in 2019. The full year commercial operations of SEC 2 and improved operating performance of the Company's operations led to the decrease in operating expense ratio.

### **Liquidity**

As a result of additional loan obtained by the Parent Company for the Construction of Siguil Hydro Project, financial debt increased by 8%. Consequently, net debt coverage ratio decreased to 11% from last year's 13%. Current ratio on the other hand increased to 1.06:1 from last year's 0.73:1. The Company has successfully refinanced its Fixed Rate Corporate Note (FRCN) in December 2020.

## **Notes to Consolidated Financial Statements**

### *Accounting Policies and Principles*

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2020 and 2019 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 cyclicity.

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

#### **14. Cash and cash equivalents, 4% Decrease and Short-term investments, 42% decrease**

The decrease in cash and cash equivalents (2020: P2,703 million vs. 2019: P2,814 million) was due to the usage of cash for the construction of Siguil Hydro Power Plant and payment of dividends. Siguil is expected to be completed and to commence commercial operations in 2022.

#### **15. Trade and other receivables, 22% Increase**

The increase was due to the timing of collection of trade receivables during the year. the Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms.

#### **16. Spare parts and supplies, 30% increase**

The increase was due mainly to the coal inventory for SEC 2 who is now on full year commercial operations. SEC 2 began operations on October 10, 2019.

#### **17. Prepaid expenses and other current assets, 12% Decrease**

The decrease was due to the lower interest reserve account of Sarangani Energy Corporation required for its loan facility used for the construction of SEC 2 and the application of available creditable withholding tax against income tax due for the year.

#### **18. Advances to Constructors, 9% Decrease**

The decrease was due to the offsetting of advances against payable on SEC 2 payables which was partly offset by the advances made for the construction of Siguil Hydro Project which began construction in 2019 and target completion in 2022.

19. Contract Asset, 35% 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 increase during the year is attributable to SEC 2 recomputation of contract asset.

20. Goodwill, 14% Decrease

The Company recognized impairment loss amounting to ₱115 million in 2020 due to decline in recoverable amount and no impairment loss was recognized on goodwill in 2019.

21. Accounts payable and other current liabilities, 14% Increase

The increase was unpaid dividends at the end of the year and the refundable deposit for the lot to be acquired by a certain customer during the year.

22. Loans payable, 1,131% increase and short-term notes payable, 45% Decrease

The increase in loans payable was due to additional availment during the year used wherein the proceeds was used for the construction of Siguil Hydro Project while the decrease in short-term notes payable which was a negotiable commercial paper registered with the Securities and Exchange Commission was due mainly to settlement made during the year.

23. Income tax payable, 7% Increase

The increase was due to the higher taxable income earned during the year. The major portion of this increase is attributed to SEC 2 which is currently on its first full year of commercial operations.

24. Lease Liability, 89% Decrease

The decrease was due to payment of lease during the year.

25. Current Portion of Long-term Debt, 76% Decrease

Long-term debts – net of Current portion, 17% Increase

The refinancing of the Company's Five-Year Fixed Rate Corporate Note (FRCN) in December 2020 led to the decrease in current portion of long-term debt at the same time increase the long-term debt. This same note was recognized as current in 2019.

26. Deferred Tax Liabilities, 9% Increase

The increase in deferred tax liabilities was due to the recognition of additional contract asset related to SEC 2. Please refer to item 6.

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, 2021 and 2020 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. 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.
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	Nicasio 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	Tomas I. Alcantara	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Arturo B. Diago, Jr.	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



**Nicasio I. Alcantara**, 79, Filipino, became the Chairman of the Board of Directors effective March 1, 2021. He previously led ACR as Chairman and President from 1995 to 2001. He was Chairman and Chief Executive Officer of Petron Corporation from 2001 to 2009. He currently holds leadership positions and board directorships in several companies including ACR Mining Corporation where he serves as Chairman and Phoenix Petroleum where he sits as an independent director. He has over 45 years of involvement in both public and private companies, and in diverse industries that include manufacturing, banking and finance, property, information technology, agriculture, power and energy, financial services, agriculture and diversified holdings. Mr. Alcantara is also a director of Seafront Resources Corporation, Philodril Corporation and Site Group International Limited.

He obtained his Business Administration degree from the Ateneo de Manila University and his Masters degree in Business Administration from Sta. Clara University, California U.S.A.

**Tomas I. Alcantara**, 75, Filipino, was the Chairman of the Board of Directors and the President of the Company since August 2001 to February 28, 2021. He opted to retire as the Company's chairman effective March 1, 2021. 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 Director of the other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Aidx 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**, 73, 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.**, 78, 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**, 67, 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**, 74, 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.

**Jacinto C. Gavino, Jr.**, 72, 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**, 82, 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**, 76, 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**, 73, 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.** 70, 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	Nicasio I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director, Executive Vice President, Chief Operating Officer	Tirso G. Santillan, Jr.	Filipino
Corporate Secretary	Roberto V. San Jose	Filipino
Chief Financial Officer	Alexander Benhur M. Simon	Filipino
Assistant Corporate Secretary	Jonathan F. Jimenez	Filipino
Chief Investment and Strategy Officer	Antonio Miguel B. Alcantara	Filipino

**Ana Maria Margarita A. Katgbak**, 53, Filipino, has been the Corporate Secretary of the Company since June 24, 2021, replacing Atty. Roberto B. San Jose. She received her BACL and law degree from the University of the Philippines. She is a member of the Philippine Bar and a senior partner of Castillo Laman Tan Pantaleon and San Jose Law Offices. In addition to serving as a Corporate Secretary for the Company, he also serves as a Director of Mabuhay Holdings Corporation since 2007.

**Alexander Benhur M. Simon**, 58, Filipino, became the Company's Vice President and Chief Financial Officer on February 1, 2021. Mr. Simon previously served as Chief Finance Officer of Global Business Power Holdings Corporation, a subsidiary of Metro Pacific Group, and SMC Global Power Holdings Corporation, a subsidiary of San Miguel Corporation. He obtained his Bachelor of Science Degree in Management Engineering from Ateneo de Manila University, Master of Business Administration from Pepperdine University in California, USA, and Master of Applied Business Economics from the Center for Research and Communication.

**Angel M. Esguerra III**, 60, 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.

**Antonio Miguel B. Alcantara**, 37, Filipino, was appointed as Deputy Chief Executive Officer of Power Business Unit effective January 1, 2022. Prior to this appointment, he was the Company's Chief Investment & Strategy Officer since February 1, 2021 where he helped developed and implemented strategic investment opportunities and business direction that ensure financial growth of the Group. He led the acquisition of the 103MW Diesel Fired Power Plant in Northern Mindanao (Mapalad Power Corporation) where he currently serves as Director. Mr. Alcantara has also assisted the Chairman in monitoring investment performance, explore new investment opportunities and monitor progress of projects. He earned his Bachelor of Science in Business Administration degree major in Finance and Marketing at Northeastern University, Boston, Massachusetts USA and his masters degree at Babson College, F.W. Olin Graduate School of Business, Wellesley, MA where he graduated as Magna Cum Laude.

## **2. Family Relationship of Directors and Officers**

Mr. Nicasio I. Alcantara, Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara and Ms. Editha I. Alcantara are siblings, while Mr. Antonio Miguel B. Alcantara is the son of Mr. Alendaro I, Alcantara.

## **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, 2022 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 ₱3,300,000, ₱2,973,000 and ₱2,850,000 for the years 2021, 2020 and 2019, respectively. For 2022, the Company estimates that it will pay an aggregate amount of ₱3,600,000 as compensation to its Directors and Executive Officers.

Table VII - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year (With 2022 Estimates)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Nicasio I. Alcantara Chairman and President	2022	₱ -	₱240,000
	2021	-	210,000
	2019	-	-
	2018	-	-
2. Editha I. Alcantara Director & Treasurer	2022	-	345,000
	2021	-	315,000
	2020	-	300,000
	2019	-	285,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	2022	-	315,000
	2021	-	255,000
	2020	-	300,000
	2019	-	315,000
4. Tomas I. Alcantara Director	2022	-	240,000
	2021	-	240,000
	2020	-	225,000
	2019	-	165,000
5. Jose Ben R. Laraya Director	2022	-	345,000
	2021	-	315,000
	2020	-	300,000
	2019	-	330,000
6. Ramon T. Diokno Director	2022	-	345,000
	2021	-	270,000
	2020	-	285,000
	2019	-	225,000
7. Thomas G. Aquino Director	2022	-	345,000
	2021	-	270,000
	2020	-	225,000
	2019	-	165,000

8. Jacinto C. Gavino, Jr. Director	2022	-	345,000
	2021	-	300,000
	2020	-	270,000
	2019	-	300,000
9. Alejandro I. Alcantara	2022	-	240,000
	2021	-	240,000
	2020	-	210,000
	2019	-	120,000
10. Arturo B. Diago, Jr.	2022	-	240,000
	2021	-	240,000
	2020	-	210,000
	2019	-	180,000
11. Honorio A. Poblador III	2022	-	240,000
	2021	-	240,000
	2020	-	210,000
	2019	-	180,000
All other Officers and Directors as a group unnamed	2022	-	660,000
	2021	-	645,000
	2020	-	420,000
	2019	-	660,000

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	Nicasio 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, 2021, 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	%
Common	<b>Alsons Corporation<sup>1</sup> (AC)</b> Alsons Bldg., 2286 Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation <sup>2</sup>	Filipino	2,592,524,072	41.21%
Common	<b>Alsons Power Holdings Corp<sup>1</sup>. (APHC)</b> Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	Alsons Power Holdings Corporation <sup>2</sup>	Filipino	1,249,999,599	19.87%
Common	<b>Alsons Development &amp; Investment Corp<sup>1</sup>. (ALDEVINCO)</b> 329 Bonifacio St., Davao City	Affiliate	Alsons Development and Investment Corporation <sup>2</sup>	Filipino	1,188,524,026	18.89%
Common	<b>PCD Nominee Corporation<sup>3</sup> (Fil)</b> MSE Bldg., Ayala Ave., Makati City	None	Various <sup>4</sup>	Filipino	1,168,240,925	18.57%

## 2. Security Ownership of Management

The following table shows the securities beneficially owned by all directors, nominees and executive officers of ACR as of March 31, 2022:

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	Nicasio I. Alcantara	100	Filipino	r	0.00%
Common	Editha I. Alcantara	100,000	Filipino	r	0.00%
Common	Tomas I. Alcantara	1	Filipino	r	0.00%
Common	Alejandro I. Alcantara	1	Filipino	r	0.00%
Common	Ramon T. Diokno	1	Filipino	r	0.00%

<sup>1</sup> The President and CEO of the Corporation, Nicasio I. Alcantara, is the Chairman of the Board of Directors of the Company.

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

<sup>3</sup> The PCD Nominee Corporation is not related to the Company.

<sup>4</sup> 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	Jose Ben R. Laraya	100	Filipino	r	0.00%
Common	Jacinto C. Gavino, Jr	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		100,405			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	Nicasio I. Alcantara	100	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		600,101			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. Ana A. Katigbak Lim is a Partner. In 2021, and 2020, ACR paid this law firm fees of

₱360,000.00 for each year. No special engagement was made during the years covered. 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 VI- EXHIBITS AND SCHEDULES

### Item 15. EXHIBITS AND REPORTS

#### 15.1 Consolidated Financial Statements

The Audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020 are attached as Exhibit 1:

- Management's Responsibility to the Financial Statements
- Independent Auditor's Report
- Consolidated Balance Sheets December 31, 2021 and 2020
- Consolidated Statements of Income for the three years ended December 31, 2021, 2020 and 2019
- Consolidated Statements of Comprehensive Income for the three years ended December 31, 2021, 2020 and 2019
- Consolidated Statements of Cash Flows for the three years ended December 31, 2021, 2020 and 2019.
- 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, 2021 is attached together with this report and presented in Exhibit 6:

### SIGNATURES

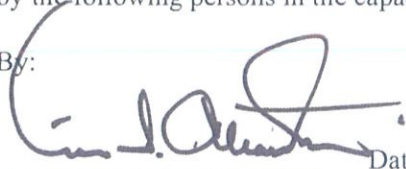
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Parañaque City.

### 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:



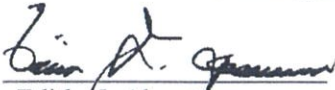
Date: 4/8/22

Nicasio I. Alcantara  
Chairman and President



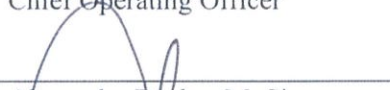
Date: 4/7/22

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



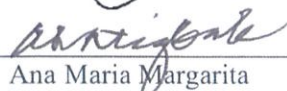
Date: 4/8/22

Editha I. Alcantara  
Treasurer



Date: 4/7/22

Alexander Benhur M. Simon  
VP and Group Chief Finance  
Officer



Date: 4/8/22

Ana Maria Margarita  
Katigbak  
Corporate Secretary


**SUBSCRIBED AND SWORN** to before me this 08 APR 2022 day of \_\_\_\_\_ affiants exhibiting to me competent evidence of their respective identity as follows:

<u>NAMES</u>	<u>IDENTIFICATION NO.</u>	<u>DATE &amp; PLACE OF ISSUE</u>
Nicasio I. Alcantara	P2285039A	03/13/2017 / DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	Valid until 2/12/2023 LTO QC
Editha I. Alcantara	P5005115B	03/02/2020 / DFA Manila
Alexander Benhur M. Simon	DL #N15-83-033925	valid until 2024/08/06
Ana Maria Margarita Katigbak	P7145377B	07/07/2021/DFA Manila

Doc. No. 283  
Page No. 58  
Book No. 11  
Series of 2022



Notary Public

  
ATTY. VILMA ROLDA VILLANUEVA-FABELLA  
NOTARY PUBLIC  
Until September 31, 2022  
IBP No. 146284-05-2022/PPLM  
PTR No. 2910162-1-07-2022/Parañaque  
Roll No. 41901  
Not. Com. No. 119-2021/1-04-2021

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

No. Exhibit

**Consolidated Financial Statements** **Exhibit**

Statement of Management's Responsibility  
Report of Independent Public Accountants  
Consolidated Balance Sheets as of December 31, 2021, 2020 and 2019  
Consolidated Statements of Income for the three years ended December 31,  
2021, 2020 and 2019  
Consolidated Statements of Comprehensive Income for the three  
Years ended December 31, 2021, 2020 and 2019  
Consolidated Statements of Cash Flows for the three years ended December  
31, 2021, 2020 and 2019  
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  
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

\*

## INDEX TO EXHIBITS

### Form 17-A

	<u>Page No.</u>
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	*

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\* 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, 2021 AND 2020 And Years Ended December 31, 2021, 2020 and 2019**

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	9	3	6	6
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### COMPANY NAME

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

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

A	l	s	o	n	s		B	u	i	l	d	i	n	g	,		2	2	8	6		C	h	i	n	o			
R	o	c	e	s		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y	,				
M	e	t	r	o		M	a	n	i	l	a	,		P	h	i	l	i	p	p	i	n	e	s					

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	A		
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### COMPANY INFORMATION

Company's Email Address

legal@alcantaragroup.com

Company's Telephone Number

(02) 8982-3000

Mobile Number

09178581642

No. of Stockholders

453

Annual Meeting (Month / Day)

May 20

Fiscal Year (Month / Day)

December 31

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Jose D. Saldivar, Jr.

Email Address

jsaldivar@alcantaragroup.com

Telephone Number/s

(02) 8982 - 3000

Mobile Number

N/A

### CONTACT PERSON'S ADDRESS

**Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines**

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

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







**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, 2021 and 2020, 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.

**NICASIO I. ALCANTARA**  
Chairman and President

**TIRSO G. SANTILLAN, JR.**  
Executive Vice-President

**ALEXANDER BENHUR M. SIMON**  
Vice President and  
Group Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 24 MAR 2022 at \_\_\_\_\_, affiants exhibiting to me their Identifications, as follows:

<u>Name</u>	<u>Identification No.</u>	<u>Date and Place of Issue</u>
Nicasio I. Alcantara	L02-62-016218	Valid Until 10-11-2022 /LTO
Tirso G. Santillan, Jr.	N17-72-000977	Valid Until 02-12-2023 LTO QC
Alexander Benhur M. Simon	N15-83-033925	Valid Until 08-06-2024 /LTO

Doc No. 230  
Page No. 47  
Book No. 11  
Series of 2022



**ATTY. VILMA HILDA VILLANUEVA-FABELLA**  
NOTARY PUBLIC  
Until December 31, 2022  
IBP No. 196528/1-05-2022/PPLM  
PTR No. 2910162/1-07-2022/Paranaque  
Roll No. 41901  
Not. Com. No. 119-2021/1-04-2021

## 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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 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.



### ***Impairment Testing of Goodwill***

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment. As at December 31, 2021, the Group's goodwill that is attributable to its two power generation cash-generating units (CGUs) amounted to ₱692 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic, 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 key assumptions used, such as contracted and dispatchable capacities against the historical performance of the CGUs, industry/market outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. 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 unquoted equity investments classified as financial assets 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, 2021. The valuation of this investment is significant to our audit because it 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 the assumptions to be used. These assumptions include the fair values of the investee's identifiable assets, such as the fair values of real estate inventories, appraised values of real estate properties and fair values of investments in listed and unlisted equity securities and the discounts applied for lack of marketability and lack of control.

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 involved our internal specialist in evaluating the valuation technique and assumptions used. We compared the key assumptions such as fair values of real estate inventories against estimated selling prices less cost to sell; fair values of real estate properties against appraisal reports; fair values of listed equity securities against quoted prices; and fair values of unlisted equity securities against adjusted net asset values of the investee companies. 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, 2021, 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, 2021 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

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-128-2019, November 27, 2019, valid until November 26, 2022

PTR No. 8853490, January 3, 2022, Makati City

March 24, 2022



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

	December 31	
	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 7)	₱2,864,190,106	₱2,702,894,906
Short-term cash investments (Note 7)	112,434,574	105,873,559
Trade and other receivables (Notes 8 and 20)	4,833,860,679	3,891,359,912
Inventories - at cost (Note 9)	1,517,325,850	838,657,947
Real estate inventories (Note 10)	632,070,639	632,070,639
Prepaid expenses and other current assets (Notes 15 and 18)	1,244,315,920	1,221,936,100
<b>Total Current Assets</b>	<b>11,204,197,768</b>	<b>9,392,793,063</b>
<b>Noncurrent Assets</b>		
Noncurrent portion of trade receivables (Note 8)	3,511,969	58,052,787
Contract assets (Notes 6 and 8)	1,732,320,376	1,532,325,737
Investments in real estate (Note 10)	513,872,270	305,115,108
Investments in associates (Note 11)	2,275,982,933	2,228,525,234
Property, plant and equipment (Note 12)	28,094,837,067	28,795,772,009
Equity investments designated at fair value through other comprehensive income (FVOCI) [Note 13]	2,361,796,426	2,345,100,444
Advances to contractors	149,040,874	364,196,423
Goodwill (Note 14)	692,187,320	692,187,320
Net retirement benefits assets (Note 28)	20,416,872	18,401,312
Deferred income tax assets - net (Note 29)	43,020,477	78,553,329
Other noncurrent assets	665,274,120	603,724,677
<b>Total Noncurrent Assets</b>	<b>36,552,260,704</b>	<b>37,021,954,380</b>
<b>TOTAL ASSETS</b>	<b>₱47,756,458,472</b>	<b>₱46,414,747,443</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Note 16)	₱4,242,667,392	₱5,094,462,982
Loans payable (Note 17)	1,570,535,030	1,382,667,507
Short-term notes payable (Note 17)	1,943,104,063	892,790,136
Income tax payable	60,228,044	73,558,598
Current portion of long-term debts (Note 18)	1,713,027,825	1,403,259,885
<b>Total Current Liabilities</b>	<b>9,529,562,354</b>	<b>8,846,739,108</b>
<b>Noncurrent Liabilities</b>		
Long-term debts - net of current portion (Note 18)	18,874,181,664	20,590,021,857
Net retirement benefits liabilities (Note 28)	75,405,409	108,468,610
Lease liabilities - net of current portion (Note 30)	7,808,237	1,554,442
Decommissioning liabilities (Notes 12 and 19)	425,824,476	385,909,929
Deferred credit (Note 33)	168,848,386	—
Deferred income tax liabilities - net (Note 29)	722,715,130	777,642,518
<b>Total Noncurrent Liabilities</b>	<b>20,274,783,302</b>	<b>21,863,597,356</b>
<b>Total Liabilities</b>	<b>29,804,345,656</b>	<b>30,710,336,464</b>

(Forward)



	December 31	
	2021	2020
<b>Equity (Note 21)</b>		
Capital stock	₱6,344,483,333	₱6,340,083,333
Equity reserves	2,532,325,677	2,479,124,830
Retained earnings:		
Unappropriated	2,031,472,491	1,757,146,902
Appropriated	1,100,000,000	1,100,000,000
Attributable to equity holders of the Parent Company	12,008,281,501	11,676,355,065
Non-controlling interests (Notes 1 and 21)	5,943,831,315	4,028,055,914
<b>Total Equity</b>	<b>17,952,112,816</b>	<b>15,704,410,979</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱47,756,458,472</b>	<b>₱46,414,747,443</b>

*See accompanying Notes to Consolidated Financial Statements.*





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

	Years Ended December 31		
	2021	2020	2019
<b>REVENUES</b>			
Revenue from contract with customers (Notes 6 and 33)	₱10,046,853,824	₱9,464,452,238	₱6,785,917,506
Rental income (Note 30)	7,656,913	6,337,348	10,178,592
	<b>10,054,510,737</b>	<b>9,470,789,586</b>	<b>6,796,096,098</b>
<b>COSTS AND EXPENSES</b>			
Cost of services (Note 22)	(6,255,304,967)	(4,687,943,817)	(4,236,965,190)
Cost of real estate sold (Note 10)	—	—	(3,198,806)
General and administrative expenses (Note 23)	(678,039,319)	(535,338,838)	(597,891,399)
	<b>(6,933,344,286)</b>	<b>(5,223,282,655)</b>	<b>(4,838,055,395)</b>
<b>OTHER INCOME (CHARGES)</b>			
Finance charges (Note 26)	(1,716,943,551)	(2,110,565,816)	(1,081,013,732)
Equity in net earnings of associates (Note 11)	72,357,699	63,584,408	70,629,805
Interest income (Notes 7 and 18)	16,473,016	41,965,781	118,193,175
Others - net (Note 27)	(6,734,037)	(81,225,456)	(24,660,862)
	<b>(1,634,846,873)</b>	<b>(2,086,241,083)</b>	<b>(916,851,614)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,486,319,578</b>	<b>2,161,265,848</b>	<b>1,041,189,089</b>
<b>PROVISION FOR INCOME TAX (Note 29)</b>			
Current	191,481,168	277,479,277	211,948,807
Deferred	(25,844,681)	15,856,510	(144,912,544)
	<b>165,636,487</b>	<b>293,335,787</b>	<b>67,036,263</b>
<b>NET INCOME</b>	<b>₱1,320,683,091</b>	<b>₱1,867,930,061</b>	<b>₱974,152,826</b>
Net income attributable to:			
Equity holders of the Parent Company	₱404,555,589	₱325,106,338	₱147,510,733
Non-controlling interests	916,127,502	1,542,823,723	826,642,093
	<b>₱1,320,683,091</b>	<b>₱1,867,930,061</b>	<b>₱974,152,826</b>
Basic/diluted earnings per share attributable to equity holders of the Parent Company (Note 21)	<b>₱0.064</b>	<b>₱0.051</b>	<b>₱0.023</b>

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2021	2020	2019
<b>NET INCOME</b>	<b>₱1,320,683,091</b>	<b>₱1,867,930,061</b>	<b>₱974,152,826</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gains (losses) on defined benefit plan (Note 28)	27,644,200	(7,698,446)	(28,223,858)
Tax effect (Note 29)	(2,394,447)	3,594,955	4,757,333
	25,249,753	(4,103,491)	(23,466,525)
Net changes in fair values of equity investments designated at FVOCI (Note 13)	16,695,982	(5,565,778)	(7,661,376)
	41,945,735	(9,669,269)	(31,127,901)
<i>Items that will be reclassified to profit or loss:</i>			
Translation adjustments	16,439,296	(11,716,374)	(4,838,842)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>	<b>58,385,031</b>	<b>(21,385,643)</b>	<b>(35,966,743)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,379,068,122</b>	<b>₱1,846,544,418</b>	<b>₱938,186,083</b>
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱457,756,436	₱309,909,379	₱123,261,916
Non-controlling interests	921,311,686	1,536,635,039	814,924,167
	<b>₱1,379,068,122</b>	<b>₱1,846,544,418</b>	<b>₱938,186,083</b>

*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, 2021, 2020 AND 2019**

Attributable to Equity Holders of the Parent Company

	Equity Reserves										Total	Non-controlling Interests (Note 1)	Total Equity
	Capital Stock (Note 21)	Remeasurement Gains (Losses) on Defined Benefit Plan (Notes 21 and 28)	Unrealized Gains (Losses) on FVOCI / AFS Financial Assets (Notes 13 and 21)	Cumulative Translation Adjustments (Note 21)	Other Equity Reserves (Note 21)	Retained Earnings (Note 21)		Sub-total	Appropriated	Unappropriated			
						Sub-total	Appropriated						
<b>BALANCES AS AT DECEMBER 31, 2018</b>	<b>P6,331,283,333</b>	<b>P4,541,504</b>	<b>(P33,841,668)</b>	<b>P1,693,250,008</b>	<b>P854,620,762</b>	<b>P2,518,570,606</b>	<b>P1,344,989,831</b>	<b>P1,300,000,000</b>	<b>P11,494,843,770</b>	<b>P3,010,596,708</b>	<b>P14,505,440,478</b>		
Net income	-	-	-	-	-	-	147,510,733	-	147,510,733	826,642,093	974,152,826		
Other comprehensive loss	-	(11,880,441)	(7,661,376)	(4,707,000)	-	(24,248,817)	-	-	(24,248,817)	(11,717,926)	(35,966,743)		
Total comprehensive income (loss)	-	(11,880,441)	(7,661,376)	(4,707,000)	-	(24,248,817)	147,510,733	-	123,261,916	814,924,167	938,186,083		
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	-	-	4,400,000	-	4,400,000		
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(130,230,000)	-	(130,230,000)	(463,100,000)	(593,330,000)		
Reversal of appropriated retained earnings	-	-	-	-	-	-	200,000,000	(200,000,000)	-	-	-		
<b>BALANCES AS AT DECEMBER 31, 2019</b>	<b>6,335,683,333</b>	<b>(7,338,937)</b>	<b>(41,503,044)</b>	<b>1,688,543,008</b>	<b>854,620,762</b>	<b>2,494,321,789</b>	<b>1,562,270,564</b>	<b>1,100,000,000</b>	<b>11,492,275,686</b>	<b>3,362,420,875</b>	<b>14,854,696,561</b>		
Net income	-	-	-	-	-	-	325,106,338	-	325,106,338	1,542,823,723	1,867,930,061		
Other comprehensive loss	-	(180,377)	(5,565,778)	(9,450,804)	-	(15,196,959)	-	-	(15,196,959)	(6,188,684)	(21,385,643)		
Total comprehensive income (loss)	-	(180,377)	(5,565,778)	(9,450,804)	-	(15,196,959)	325,106,338	-	309,909,379	1,536,635,039	1,846,544,418		
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	-	-	4,400,000	-	4,400,000		
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(130,230,000)	-	(130,230,000)	(871,000,000)	(1,001,230,000)		
<b>BALANCES AS AT DECEMBER 31, 2020</b>	<b>6,340,083,333</b>	<b>(7,519,314)</b>	<b>(47,068,822)</b>	<b>1,679,092,204</b>	<b>854,620,762</b>	<b>2,479,124,830</b>	<b>1,757,146,902</b>	<b>1,100,000,000</b>	<b>11,676,355,065</b>	<b>4,028,055,914</b>	<b>15,704,410,979</b>		
Net income	-	-	-	-	-	-	404,555,589	-	404,555,589	916,127,502	1,320,683,091		
Other comprehensive income	-	20,124,134	16,695,982	16,380,731	-	53,200,847	-	-	53,200,847	5,184,184	58,385,031		
Total comprehensive income	-	20,124,134	16,695,982	16,380,731	-	53,200,847	404,555,589	-	457,756,436	921,311,686	1,379,068,122		
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	-	-	4,400,000	-	4,400,000		
Conversion of advances to equity by non-controlling interest (Notes 1 and 16)	-	-	-	-	-	-	-	-	-	1,879,463,700	1,879,463,700		
Cash dividends declaration (Note 21)	-	-	-	-	-	-	(130,230,000)	-	(130,230,000)	(884,999,985)	(1,015,229,985)		
<b>BALANCES AS AT DECEMBER 31, 2021</b>	<b>P6,344,483,333</b>	<b>P12,604,820</b>	<b>(830,372,840)</b>	<b>P1,695,472,935</b>	<b>P854,620,762</b>	<b>P2,532,325,677</b>	<b>P2,031,472,491</b>	<b>P1,100,000,000</b>	<b>P12,008,281,501</b>	<b>P5,943,831,315</b>	<b>P17,952,112,816</b>		

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱1,486,319,578	₱2,161,265,848	₱1,041,189,089
Adjustments for:			
Finance charges (Note 26)	1,716,943,551	2,110,565,816	1,081,013,732
Depreciation and amortization (Note 25)	1,522,032,734	1,717,075,162	1,076,834,280
Equity in net earnings of associates (Note 11)	(72,357,699)	(63,584,408)	(70,629,805)
Interest income (Notes 7 and 18)	(16,473,016)	(41,965,781)	(118,193,175)
Movements in net retirement assets and retirement benefits liabilities (Notes 24 and 28)	(7,434,561)	26,035,778	10,607,843
Unrealized foreign exchange loss (gain) - net	(6,513,998)	(246,007)	42,545,740
Gain on sale of property, plant and equipment (Note 27)	(2,975,284)	(252,403)	(1,168,423)
Impairment of goodwill (Note 14)	—	114,500,000	—
Provision for decommissioning liabilities (Notes 19 and 27)	—	4,173,144	—
Recovery of impairment loss on real estate inventories due to sale (Notes 10 and 27)	—	—	(663,673)
Operating income before working capital changes	4,619,541,305	6,027,567,149	3,061,535,608
Decrease (increase) in:			
Trade and other receivables	(829,477,544)	(483,980,045)	(284,185,625)
Contract assets	199,994,639	(400,661,501)	(51,248,236)
Real estate inventories	—	—	158,429
Inventories	(678,667,903)	(195,718,056)	39,801,142
Prepaid expenses and other current assets	(121,509,536)	119,934,900	(86,707,479)
Increase (decrease) in accounts payable and other current liabilities	725,157,949	476,242,857	(117,750,550)
Cash generated from operations	3,915,038,910	5,543,385,304	2,561,603,289
Income taxes paid including creditable withholding taxes	(141,388,071)	(272,374,980)	(185,661,723)
Net cash flows from operating activities	3,773,650,839	5,271,010,324	2,375,941,566
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Property, plant and equipment (Notes 12 and 35)	(708,651,758)	(1,673,183,820)	(2,875,644,571)
Computer software	(2,627,220)	(660,000)	(4,003,566)
Investments in real estate (Note 10)	(208,811,239)	—	(94,468)
Investments in associates (Note 11)	—	—	(2,977,452)
Receipts of (additions to) advances to contractors	215,155,549	34,207,945	(300,471,599)
Proceeds from government grant (Note 33)	168,848,386	—	—
Dividend received (Note 11)	24,900,000	33,200,018	83,000,000
Interest received	16,473,016	41,965,781	118,193,175
Withdrawal of (additions to) short-term cash investments (Note 7)	(6,561,015)	75,758,527	77,032,800
Proceeds from disposals of property, plant and equipment	3,884,598	1,179,501	6,609,830
Grant of advances to related parties	(441,330,914)	(295,000,866)	(283,139,830)
Proceeds from disposal of (additions to) other noncurrent assets	(37,508,953)	—	98,020,769
Net cash flows used in investing activities	(976,229,550)	(1,782,532,914)	(3,083,474,912)

(Forward)



	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Availment of loans and long-term debts (Notes 17, 18 and 35)	₱3,378,400,000	₱9,901,316,612	₱5,324,436,224
Payments of:			
Loans and long-term debts (Note 35)	(3,617,686,550)	(10,665,064,107)	(3,498,773,520)
Interest expense (Notes 30 and 35)	(1,660,106,861)	(2,010,047,427)	(975,552,446)
Dividends (Notes 21 and 35)	(740,829,990)	(660,830,010)	(629,930,000)
Principal portion of lease liabilities (Note 30)	(13,945,715)	(10,275,720)	(10,274,664)
Debt issue costs (Note 18)	—	(94,827,513)	(103,131,983)
Proceeds from receipt of (additions to) debt reserve account (Notes 15 and 18)	11,581,510	(60,169,254)	(49,508,647)
Net cash flows from (used in) financing activities	(2,642,587,606)	(3,599,897,419)	57,264,964
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>154,833,683</b>	<b>(111,420,009)</b>	<b>(650,268,382)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>6,461,517</b>	<b>(245,724)</b>	<b>(9,732,820)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,702,894,906</b>	<b>2,814,560,639</b>	<b>3,474,561,841</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)</b>	<b>₱2,864,190,106</b>	<b>₱2,702,894,906</b>	<b>₱2,814,560,639</b>

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			
		2021		2020	
		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
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
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	—	80.00
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	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. 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 ₱1,879 million (see Note 16). 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.

On June 1, 2021, the Parent Company and GBPC subscribed to additional common shares amounting to ₱1,879 million each, which was settled through the conversion of advances to ATEC (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 Board of Directors (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, 2021 and 2020, 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 24, 2022, 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. The EPC contractors for the SRPI Project have been shortlisted based on the evaluation of the proposals submitted. The final execution of the EPC contract, however, is deferred owing to the travel restrictions brought about by the COVID-19 pandemic. The EPC Contractor personnel will travel to the Philippines once the restrictions are lifted for the implementation of the SRPI Project. The issuance of Notice to Proceed (NTP) is projected for the fourth quarter of 2022, corresponding to a Commercial Operations Date (COD) in June 2025.

*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 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.

SPPC and WMPC are bunker C-fired diesel generator power plants with PSA with various distribution utilities and electric cooperatives.

*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%.





*Siguil and Kalaong.* ACR organized and incorporated Siguil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 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, Siguil has commenced its construction and expected to be completed in May 2023. As at March 24, 2022, Siguil 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 24, 2022, 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 24, 2022, 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 24, 2022, upon the recommendation for approval by the Audit Committee.

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## **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) 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.



The accompanying consolidated financial statements have been prepared under the going concern assumption. The Group believes that its businesses would remain relevant despite challenges posed by the COVID-19 pandemic. Despite the adverse impact of the COVID-19 pandemic on short-term business results, long-term prospects remain attractive.

#### Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

#### 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		
			2021	2020	2019
ATEC	Philippines	Holding Company	50.0%	50.0%	50.0%
Sarangani	Philippines	Power generation	62.5%	62.5%	62.5%

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

Summarized statements of financial position of ATEC, including its subsidiaries as at December 31 are as follows:

	2021	2020
	<i>Amounts in Thousands</i>	
Current assets	₱5,615,349	₱4,355,402
Noncurrent assets	26,356,311	27,336,339
Current liabilities	(5,613,136)	(7,706,646)
Noncurrent liabilities	(13,483,101)	(15,123,610)
Equity	₱12,875,423	₱8,861,485
Equity attributable to non-controlling interests	₱5,702,136	₱3,681,571

Summarized statements of comprehensive income of ATEC, including its subsidiaries for the years ended December 31 are as follows:

	2021	2020	2019
	<i>Amounts in Thousands</i>		
Revenue and other income	₱8,278,383	₱6,383,464	₱4,785,056
Expenses	(6,651,946)	(3,829,879)	(3,482,135)
Income tax	(187,315)	(171,354)	(77,573)
Net income	1,439,122	2,382,231	1,225,348
Other comprehensive income (loss)	15,888	(6,906)	(13,187)
Total comprehensive income	₱1,455,010	₱2,375,325	₱1,212,161
Total comprehensive income attributable to non-controlling interests	₱891,101	₱1,469,721	₱766,210
Dividends paid to non-controlling interests	₱750,000	₱740,000	₱437,500



Summarized statements of cash flows of ATEC, including its subsidiaries for the years ended December 31 are as follows:

	2021	2020	2019
	<i>Amounts in Thousands</i>		
Operating	<b>₱3,816,896</b>	<b>₱5,047,568</b>	<b>₱1,908,551</b>
Investing	<b>(91,359)</b>	<b>(989,078)</b>	<b>(2,299,504)</b>
Financing	<b>(3,584,632)</b>	<b>(4,058,851)</b>	<b>(84,962)</b>
Net increase (decrease) in cash and cash equivalents	<b>₱140,905</b>	<b>(₱361)</b>	<b>(₱475,915)</b>

There are no significant restrictions on the subsidiaries to transfer funds to the Parent Company in the form of dividends, payment of advances, among others.

### 3. Changes in Accounting Policies and Disclosures

#### New Standards Effective Starting January 1, 2021

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, 2021. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The Group adopted the amendment beginning April 1, 2021. The Group adopted the amendments beginning January 1, 2020. The amendments did not have a material impact on the Group.



- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021. The amendments did not have a material impact on the Group.

#### 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, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

- Annual Improvements to PFRSs 2018-2020 Cycle

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.



- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

*Effective beginning on or after January 1, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures



The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

*Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

*Effective beginning on or after January 1, 2025*

- 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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The adoption will not materially affect the Group.





#### *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 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.

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#### **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 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 solely payments of principal and interest (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, debt reserve account, due from related parties, contract assets 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 debt 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.



#### Modification of Financial Assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered SPPI

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

#### *Financial liabilities*

A financial liability (or a part of 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 or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the statement of income.

#### *Exchange or modification of financial liabilities*

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value



of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When 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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

#### 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.

#### Inventories

These consist of coal, fuel and other inventories which are valued at the lower of cost and net realizable value (NRV). Cost of inventories is determined using the moving-average method for coal and fuel inventory and first-in, first-out (FIFO) cost method for other inventories. NRV is the current replacement cost.

When the circumstances that previously caused the inventories 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 (residential lots) 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.

#### 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 PFRS 9 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
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*

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.

#### Government Grant

Government grants are recognized as deferred credit where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. With the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs,



for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in profit or loss within the depreciation and amortization on a straight-line basis over expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

#### 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

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.

Meanwhile, revenue from sale of electricity through ancillary services to the National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided.

*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.

#### 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, APMC and Sarangani, has an unfunded, noncontributory defined benefit retirement plan covering all qualified employees. SPPC, WMPC, APMC and Sarangani 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

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.

#### 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 liabilities*

The decommissioning liabilities arose from the WMPC's, SPPC's and Sarangani's obligations, under the ECC, to decommission or dismantle their power plant complexes 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 liabilities. 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.

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## **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.

#### *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.



*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, 2021 and 2020, the total carrying values of the Group's investments in real estate and real estate inventories amounted to ₱1,146 million and ₱937 million, respectively (see Note 10).

*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, 2021 and 2020, management believes that the Group's claim from National Power Corporation (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 is not yet recognized as of December 31, 2021 (see Note 8).

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 and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. 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 ₱4,004 million and ₱3,395 million, net of allowance for expected credit loss of ₱105 million and ₱83 million as of December 31, 2021 and 2020, respectively (see Note 8).



*Assessment of expected credit losses on other financial assets at amortized cost*

The Group determines the allowance for ECLs using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized as of December 31, 2021 and 2020. The carrying amounts of other financial assets at amortized cost, such as cash and cash equivalents, short-term cash investments, due from related parties, retention and other receivables and debt reserve accounts amounted to ₱6,413 million and ₱5,775 million as of December 31, 2021 and 2020 (see Notes 7, 8, 15, 20 and 31).

*Estimation of NRV of inventories*

Inventories are valued at the lower of cost and NRV. For inventories, 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 coal, fuel, chemicals and other inventories, the actual cost of inventories used are fully reimbursable based on the Group's agreements with the customers.

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 inventories amounted to ₱1,517 million and ₱839 million as at December 31, 2021 and 2020, respectively (see Note 9). The carrying values of real estate inventories amounted to ₱632 million as at December 31, 2021 and 2020 (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 total carrying values of depreciable property, plant and equipment and investments in real estate (excluding land and construction in progress) amounted to ₱25,055 million and ₱26,363 million as at December 31, 2021 and 2020, 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
- b. investment in associates:
  - Significant underperformance relative to the future sales performance and projected operating results; and
  - Significant negative industry or market trends.
  - Market capitalization is lower than carrying value of the Group's equity.

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 as of December 31, 2021 and 2020, the Group's nonfinancial assets with carrying values as at December 31 as follows are not impaired:

	2021	2020
	(In Millions)	
Property, plant and equipment (Note 12)	₱28,095	₱28,796
Advances to contractors	149	364
Investments in real estate (Note 10)	514	305
Investments in associates (Note 11)	2,276	2,229
	<b>₱31,034</b>	<b>₱31,694</b>



*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.

The Group recognized impairment loss amounting to ₱115 million in 2020 due to decline in the recoverable amount of goodwill attributable to SPPC. No impairment loss was recognized on goodwill in 2021 and 2019. The carrying amount of goodwill as at December 31, 2021 and 2020 amounted to ₱692 million (see Note 14).

*Estimation of retirement benefits cost and obligation*

The determination of the retirement benefits cost and obligation 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.

Total net retirement assets of the Group amounted to ₱20 million and ₱18 million as at December 31, 2021 and 2020, respectively, and total net retirement liabilities of the Group amounted to ₱75 million and ₱108 million as at December 31, 2021 and 2020, respectively (see Note 28).

*Estimation of decommissioning liabilities*

The decommissioning liabilities arose from WMPC's, SPPC's and Sarangani's obligations, under the ECC, to decommission or dismantle the power plant complexes 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 current pre-tax rates that reflect the risks specific to the decommissioning liabilities. 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 costs of the power plant complexes. The amounts deducted from the costs of the power plant complexes, shall not exceed their carrying amounts.

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 liabilities as at December 31, 2021 and 2020 amounted to ₱426 million and ₱386 million, respectively (see Note 19).

*Estimation and recognition of deferred income tax assets and liability*

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.

Deferred income tax assets amounted to ₱169 million and ₱164 million as at December 31, 2021 and 2020, respectively. Also, the Group has unrecognized NOLCO, excess MCIT and deductible temporary differences as at December 31, 2021 and 2020 as disclosed in Note 29.



The deferred income tax liability on cumulative translation adjustment was not recognized because the Parent Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

*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 Aldevinco 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, 2021 and 2020, the Group's unquoted equity investment in Aldevinco amounted to ₱2,200 million (see Notes 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).

## 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:

### 2021

	Power And Energy	Property Development	Other Investments	Total	Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
Revenues						
External customer	₱10,092,494	₱10,794	₱-	₱10,103,288	(₱48,777)	₱ 10,054,511
Inter-segment	-	193	628,212	628,405	(628,405)	-
Total revenues	10,092,494	10,987	628,212	10,731,693	(677,182)	10,054,511
Interest income	9,681	2,234	4,558	16,473	-	16,473
Finance charges	1,386,640	-	330,304	1,716,944	-	1,716,944
Provision for income tax	248,813	(23,423)	2,101	227,491	(61,855)	165,636
Net income (loss)	1,640,283	(6,967)	215,933	1,849,249	(528,566)	1,320,683
<b>Other Information</b>						
Investments in associates and due from related parties	474,020	1,051,266	14,116,559	15,641,845	(10,915,256)	4,726,589
Segment assets	38,476,104	2,554,264	17,154,447	58,184,815	(10,428,357)	47,756,458
Segment liabilities	23,046,955	842,821	9,644,506	33,534,282	(3,729,936)	29,804,346
Depreciation	1,474,961	496	2,038	1,477,495	44,538	1,522,033
<b>Cash Flow Information</b>						
Net cash flows from (used in):						
Operating activities	4,230,416	(22,670)	(1,109,507)	3,098,239	675,412	3,773,651
Investing activities	(774,325)	(116,345)	443,763	(446,907)	(529,323)	(976,230)
Financing activities	(3,272,721)	25	770,194	(2,502,502)	(140,086)	(2,642,588)



## 2020

	Power And Energy	Property Development	Other Investments	Total	Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
<b>Revenues</b>						
External customer	P9,509,894	P9,700	P-	P 9,519,594	(P48,804)	P9,470,790
Inter-segment	-	1,161	733,929	735,090	(735,090)	-
Total revenues	9,509,894	10,861	733,929	10,254,684	(783,894)	9,470,790
Interest income	30,166	707	11,561	42,434	(468)	41,966
Finance charges	1,550,847	-	534,274	2,085,121	25,445	2,110,566
Provision for income tax	293,424	-	3,177	296,601	(3,265)	293,336
Net income (loss)	2,475,054	(21,366)	122,387	2,576,075	(708,145)	1,867,930
<b>Other Information</b>						
<b>Investments in associates and due from related parties</b>						
	420,344	902,040	7,876,006	9,198,390	(5,275,120)	3,923,270
Segment assets	37,689,926	2,404,891	15,837,636	55,932,453	(9,517,706)	46,414,747
Segment liabilities	26,337,574	699,382	8,421,939	35,458,895	(4,748,559)	30,710,336
Depreciation	1,669,929	670	1,916	1,672,515	44,560	1,717,075
<b>Cash Flow Information</b>						
<b>Net cash flows from (used in):</b>						
Operating activities	5,373,879	289,183	(1,433,380)	4,229,682	1,041,328	5,271,010
Investing activities	(1,773,497)	(95,128)	407,052	(1,461,573)	(320,960)	(1,782,533)
Financing activities	(3,365,175)	(1,175)	492,311	(2,874,039)	(725,858)	(3,599,897)

## 2019

	Power And Energy	Property Development	Other Investments	Total	Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
<b>Revenues</b>						
External customer	P6,783,110	P12,986	P-	P6,796,096	P-	P6,796,096
Inter-segment	261,187	5,098	420,732	687,017	(687,017)	-
Total revenues	7,044,297	18,084	420,732	7,483,113	(687,017)	6,796,096
Interest income	P74,374	P851	P43,964	P119,189	(P996)	P118,193
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
<b>Other Information</b>						
<b>Investments in associates and due from related parties</b>						
	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
<b>Cash Flow Information</b>						
<b>Net cash flows from (used in):</b>						
Operating activities	2,316,549	28,642	(199,750)	2,145,441	230,501	2,375,942
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)	620,736	57,265

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:

	2021	2020	2019
	<i>(Amounts in Thousands)</i>		
<b>Assets</b>			
Total assets for reportable segments	<b>₱49,268,178</b>	<b>₱46,734,062</b>	<b>₱46,182,683</b>
Investments in shares of stock of subsidiaries and associates and due from related parties	<b>8,916,637</b>	<b>9,198,391</b>	<b>7,985,651</b>
Eliminations	<b>(10,428,357)</b>	<b>(9,517,706)</b>	<b>(8,559,120)</b>
<b>Consolidated assets</b>	<b>₱47,756,458</b>	<b>₱46,414,747</b>	<b>₱45,609,214</b>
<b>Liabilities</b>			
Total liabilities for reportable segments	<b>₱7,772,700</b>	<b>₱4,740,069</b>	<b>₱4,468,741</b>
Long-term debts	<b>20,587,209</b>	<b>21,993,282</b>	<b>23,299,495</b>
Due to related parties	<b>1,843,414</b>	<b>6,667,151</b>	<b>5,657,803</b>
Loans payable	<b>1,570,535</b>	<b>1,382,668</b>	<b>112,292</b>
Deferred income tax liabilities - net	<b>503,584</b>	<b>777,462</b>	<b>711,388</b>
Income tax payable	<b>60,228</b>	<b>73,559</b>	<b>68,454</b>
Interest payable	<b>274,995</b>	<b>303,119</b>	<b>316,268</b>
Eliminations	<b>(2,808,319)</b>	<b>(5,226,974)</b>	<b>(3,879,924)</b>
<b>Consolidated liabilities</b>	<b>₱29,804,346</b>	<b>₱30,710,336</b>	<b>₱30,754,517</b>

#### 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 years ended December 31:

Type of contract	2021	2020	2019
Revenue from power supply agreements and ancillary services procurement agreement	<b>₱10,046,853,824</b>	<b>₱9,464,452,238</b>	<b>₱6,783,110,581</b>
Revenue from contract to sell of residential lots	<b>—</b>	<b>—</b>	<b>2,806,925</b>
	<b>₱10,046,853,824</b>	<b>₱9,464,452,238</b>	<b>₱6,785,917,506</b>

#### *Contract Balances*

The Group's receivables as at December 31, 2021 and 2020 are disclosed in Note 8. The Group's contract assets as at December 31, 2021 and 2020 amounted to ₱1,783 million and ₱1,583 million, respectively, representing excess of revenue earned and recognized over the amount billed, billable and/or collected from the customers under the contracts (see Note 8).

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

	2021	2020
Cash on hand	<b>₱537,126</b>	<b>₱637,500</b>
Cash in banks	<b>2,295,314,393</b>	<b>2,189,189,307</b>
Cash equivalents	<b>568,338,587</b>	<b>513,068,099</b>
	<b>₱2,864,190,106</b>	<b>₱2,702,894,906</b>

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 ₱112 million and ₱106 million as at December 31, 2021 and 2020, 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% in 2021 and 2020. Interest income from cash and cash equivalents and short-term cash investments amounted to ₱11 million, ₱25 million and ₱75 million in 2021, 2020 and 2019, respectively.

## 8. Trade and Other Receivables

	2021	2020
Trade:		
Power	₱2,213,099,407	₱1,780,804,047
Real estate	81,126,457	82,543,083
Product distribution and others	31,730,458	31,730,458
Contract assets (Note 6)	1,782,852,895	1,582,858,256
Retention receivables	14,655,481	15,455,481
Due from related parties and others (Note 20)	2,551,160,264	2,071,782,931
	<b>6,674,624,962</b>	<b>5,565,174,256</b>
Less noncurrent portion of:		
Trade receivables	3,511,969	58,052,787
Contract assets	1,732,320,376	1,532,325,737
	<b>1,735,832,345</b>	<b>1,590,378,524</b>
	<b>4,938,792,617</b>	<b>3,974,795,732</b>
Allowance for expected credit loss	104,931,938	83,435,820
	<b>₱4,833,860,679</b>	<b>₱3,891,359,912</b>

### Power

These receivables are noninterest-bearing and are generally on 30 days term.

In 2021 and 2020, the Group has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms. The modifications in the contractual cash flows as a result of the reliefs did not have significant impact on the consolidated financial statements.

Noncurrent portion of trade receivables from power amounted to ₱58 million as at December 31, 2020 (nil as of December 31, 2021).

### *Claim from NPC*

SPPC has a claim from NPC pertaining to the portion of accounts that was disputed by NPC and was eventually decided by the Supreme Court in 2016 in favor of SPPC, holding NPC liable to pay SPPC for the additional 5 MW from 2005 to 2010. The claim consists of long-outstanding receivable amounting to ₱89 million and unrecognized receivable of \$6 million and ₱69 million as at December 31, 2021 and 2020.

On October 14, 2020, SPPC filed a Motion to Resolve with the Commission on Audit (COA) requesting COA to immediately resolve the Petition for Money Claim.

On November 26, 2021, the COA issued its decision partially granting SPPC's Petition for Money Claim as against the NPC and directing the parties to submit a memorandum or comment on whether or not the obligation of NPC under the ECA is among the obligations assumed by PSALM. On December 14, 2021, SPPC filed its comment on the decision. On December 31, 2021, the NPC



filed its comment on the decision. The issue on whether PSALM assumed the NPC's obligation to SPPC under the ECA remains pending before the COA.

As of December 31, 2021 and 2020, SPPC did not yet recognize the balance of the claim from NPC since management believes that the claim is not yet virtually certain as it requires further review by the COA and appropriation of funds for NPC to release the amount of the claim.

#### 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 ₱77 million and ₱69 million as at December 31, 2021 and 2020, 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 ₱4 million as at December 31, 2021 (nil as at December 31, 2020).

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 expected credit losses as at December 31, 2021 and 2020.

#### Retention Receivables

Retention receivables pertain to the outstanding balances from Aboitiz Land, Inc. (Aboitiz) for the sale of Lima Land Inc. (LLI), which will be collected upon accomplishment of certain milestones.

#### 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.

#### Allowance for Expected Credit Loss

Composition of allowance for expected credit loss is as follows (see Note 31):

	Power	Real Estate	Product Distribution	Others	Total
Balances as at December 31, 2019 and 2020	₱33,467,626	₱13,163,091	₱31,730,458	₱5,074,645	₱83,435,820
Provisions (Note 23)	21,496,118	—	—	—	21,496,118
Balances as at December 31, 2021	₱54,963,744	₱13,163,091	₱31,730,458	₱5,074,645	₱104,931,938



## 9. Inventories - at Cost

	2021	2020
Coal	₱879,308,974	₱233,387,542
Spare parts	527,187,701	525,921,698
Fuel	67,665,470	56,890,109
Oil, lubricants and chemicals	33,358,028	14,332,613
Operating supplies and consumables	9,805,677	8,125,985
	<b>₱1,517,325,850</b>	<b>₱838,657,947</b>

Cost of inventories used amounted to ₱3,882 million in 2021, ₱2,417 million in 2020 and ₱2,490 million in 2019 (see Note 22).

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

### Real Estate Inventories - at NRV

	2021	2020
Eagle Ridge Project (General Trias, Cavite) (Note 33)	₱616,887,120	₱616,887,120
Campo Verde Project (Lipa and Malvar, Batangas) (Note 33)	15,183,519	15,183,519
	<b>₱632,070,639</b>	<b>₱632,070,639</b>

Cost of real estate inventories sold amounted to ₱3 million in 2019 (nil in 2021 and 2020). The cost of the real estate inventories amounted to ₱632 million as of December 31, 2021 and 2020.

### Investments in Real Estate

	2021	2020
KAED Property (Maasim, Sarangani) [Note 12]	₱322,176,574	₱113,776,528
ALC Property (Pasong Tamo, Makati)	134,222,728	133,865,613
Batangas Project (Lipa and Malvar, Batangas)	52,787,031	52,787,031
Laguna Project (Cabuyao, Laguna)	4,685,937	4,685,936
	<b>₱513,872,270</b>	<b>₱305,115,108</b>

In 2020, the Group changed the use of certain KAED property from being an owner-occupied property into an investment in real estate.

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

	December 31, 2021		
	Land	Building and Improvements	Total
<b>Cost</b>			
Balances at beginning of year	₱296,249,501	₱33,440,775	₱329,690,276
Additions	208,400,046	411,193	208,811,239
Balances at end of year	504,649,547	33,851,968	538,501,515
<b>Accumulated Depreciation</b>			
Balances at beginning of year	—	24,575,168	24,575,168
Depreciation (Note 25)	—	54,077	54,077
Balances at end of year	—	24,629,245	24,629,245
<b>Net Book Value</b>	<b>₱504,649,547</b>	<b>₱9,222,723</b>	<b>₱513,872,270</b>





	December 31, 2020		
	Land	Building and Improvements	Total
<b>Cost</b>			
Balances at beginning of year	₱182,472,973	₱33,440,775	₱215,913,748
Reclassification (Note 12)	113,776,528	—	113,776,528
Balances at end of year	296,249,501	33,440,775	329,690,276
<b>Accumulated Depreciation</b>			
Balances at beginning of year	—	24,519,737	24,519,737
Depreciation (Note 25)	—	55,431	55,431
Balances at end of year	—	24,575,168	24,575,168
<b>Net Book Value</b>	<b>₱296,249,501</b>	<b>₱8,865,607</b>	<b>₱305,115,108</b>

#### Fair Value

The fair values of investments in real estate amounting to ₱1,814 million and ₱1,606 million as of December 31, 2021 and 2020, respectively, are based on the appraisal report prepared by an SEC-accredited and independent appraiser company. The basis of fair values are as follows:

	Amount (in millions)	Approach	Significant unobservable input
Land	2021: ₱1,783 2020: ₱1,575	Market approach - Under this approach, a property's fair value is estimated based upon prices paid in actual market transactions and current listings. Listings and sold properties are compared to the subject in key units of comparison. Appropriate adjustments are made for differences between the subject and comparable property listings, resulting in adjusted sales values for each of the comparable property listings.	2021: ₱1,167 - ₱200,000 per square meter 2020: ₱1,888 - ₱200,000 per square meter
Buildings	2021: ₱31 2020: ₱31	Cost approach - Under this approach, calculation of the current replacement or reproduction cost of a property and making deductions for physical deterioration and all other relevant forms of obsolescence is made	2021: ₱6,305 per square meter 2020: ₱6,305 per square meter

Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value. The Company has determined that the highest and best use of these properties is its current use.

## 11. Investments in Associates

	Percentage of Ownership		2021	2020
	2021	2020		
At equity:				
Acquisition costs:				
Indophil Resources Philippines, Inc. (IRPI)	2.00	2.00	₱1,216,310,412	₱1,216,310,412
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	2,326,667,214
Accumulated equity in net earnings:				
Balances at beginning of year			48,903,020	18,518,630
Share in net earnings for the year			72,357,699	63,584,408
Dividends declared for the year			(24,900,000)	(33,200,018)
Balances at end of year			96,360,719	48,903,020
Accumulated impairment loss at beginning and end of the year			(147,045,000)	(147,045,000)
			₱2,275,982,933	₱2,228,525,234



#### 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, 2021 and 2020).



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

	2021	2020	2019
	<i>(Amounts in Thousands)</i>		
Current assets	<b>₱6,395,910</b>	₱5,340,501	₱4,953,555
Noncurrent assets	<b>20,886,823</b>	21,143,989	20,790,653
Current liabilities	<b>2,967,309</b>	2,622,478	2,433,483
Noncurrent liabilities	<b>683,806</b>	423,259	285,116
Revenue and other income	<b>1,720,775</b>	1,244,837	1,225,547
Net income	<b>214,299</b>	186,777	203,631
Total comprehensive income	<b>214,299</b>	186,777	203,631

Aggregate financial information of IRPI and Aviana as at December 31, 2021 and 2020 and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	IRPI		Aviana	
	2021	2020	2021	2020
	<i>(In Thousands)</i>			
Current assets	<b>₱3,228,244</b>	₱2,773,302	<b>₱3,167,666</b>	₱2,567,199
Noncurrent assets	<b>18,836,087</b>	18,836,087	<b>2,050,736</b>	2,307,902
Current liabilities	<b>(241,625)</b>	(241,691)	<b>(2,725,684)</b>	(2,380,787)
Noncurrent liabilities	<b>(395,567)</b>	—	<b>(288,239)</b>	(423,259)
Equity	<b>21,427,139</b>	21,367,698	<b>2,204,479</b>	2,071,055
Equity interest of the Parent Company	<b>2%</b>	2%	<b>34%</b>	34%
Share in net assets of the acquiree	<b>428,543</b>	427,354	<b>749,523</b>	704,159
Goodwill, translation adjustments and others	<b>787,767</b>	788,956	<b>310,150</b>	308,056
Carrying value of investments	<b>₱1,216,310</b>	₱1,216,310	<b>₱1,059,673</b>	₱1,012,215

The financial information of the other immaterial associates was not presented since these are dormant entities and the related investments were fully provided with allowance.

There are no significant restrictions on the ability of the associates to transfer funds to the Parent Company in the form of dividends, payment of advances, among others.



## 12. Property, Plant and Equipment

As at December 31, 2021:

	Land (Note 18)	Buildings and Leasehold Improvements	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Machinery and Other Equipment (Note 18)	Construction in Progress	Right-of-use Asset - Building (Note 30)	Total
<b>Cost</b>								
Balances at beginning of year	₱376,182,019	₱199,073,194	₱30,770,855,218	₱7,244,960,502	₱1,427,079,573	₱2,065,408,796	₱35,274,144	₱42,118,833,446
Additions	-	803,103	114,769,001	25,776,300	40,738,933	595,618,162	15,003,137	792,708,636
Disposals	-	(297,112)	-	-	(6,407,782)	-	(1,324,177)	(8,029,071)
Capitalized depreciation	-	-	-	-	-	12,273,040	-	12,273,040
Adjustment to decommissioning liability (Note 19)	-	-	26,349,652	-	-	-	-	26,349,652
Balances at end of year	376,182,019	199,579,185	30,911,973,871	7,270,736,802	1,461,410,724	2,673,299,998	48,953,104	42,942,135,703
<b>Accumulated Depreciation</b>								
Balances at beginning of year	-	189,376,438	8,460,965,005	3,906,981,690	742,556,150	-	23,182,154	13,323,061,437
Depreciation for the year (Note 25)	-	199,625	1,205,946,802	167,963,077	131,565,772	583,248	12,825,392	1,519,083,916
Expensed	-	-	-	-	-	-	12,273,040	12,273,040
Capitalized	-	-	-	-	(5,795,580)	-	(1,324,177)	(7,119,757)
Disposals	-	-	-	-	868,326,342	583,248	46,956,409	14,847,298,636
Balances at end of year	-	189,576,063	9,666,911,807	4,074,944,767	₱593,084,382	₱2,672,716,750	₱1,996,695	₱28,094,837,067
<b>Net Book Value</b>	₱376,182,019	₱10,003,122	₱21,245,062,064	₱3,195,792,035	₱593,084,382	₱2,672,716,750	₱1,996,695	₱28,094,837,067



As at December 31, 2020:

	Land (Note 18)	Buildings and Leasehold Improvements	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Machinery and Other Equipment (Note 18)	Construction in Progress	Right-of-use Asset - Building (Note 30)	Total
<b>Cost</b>								
Balances at beginning of year	₱489,958,547	₱197,866,611	₱30,564,267,592	₱7,239,100,919	₱1,398,804,311	₱810,204,341	₱35,274,144	₱40,735,476,465
Additions	--	9,900	204,428,440	--	33,276,677	1,301,393,585	--	1,539,108,602
Disposals	--	--	(25,197,481)	--	(5,052,097)	--	--	(30,249,578)
Reclassification (Note 10)	(113,776,528)	1,196,683	39,082,182	5,859,583	50,682	(46,189,130)	--	(113,776,528)
Adjustment to decommissioning liability (Note 19)	--	--	(11,725,515)	--	--	--	--	(11,725,515)
Balances at end of year	376,182,019	199,073,194	30,770,855,218	7,244,960,502	1,427,079,573	2,065,408,796	35,274,144	42,118,833,446
<b>Accumulated Depreciation</b>								
Balances at beginning of year	--	189,234,324	7,254,211,448	3,732,249,368	451,375,002	--	11,440,263	11,638,510,405
Depreciation for the year (Note 25)	--	142,114	1,231,951,038	174,732,322	295,306,147	--	11,741,891	1,713,873,512
Disposals	--	--	(25,197,481)	--	(4,124,999)	--	--	(29,322,480)
Balances at end of year	--	189,376,438	8,460,965,005	3,906,981,690	742,556,150	--	23,182,154	13,323,061,437
<b>Net Book Value</b>	₱376,182,019	₱9,696,756	₱22,309,890,213	₱3,337,978,812	₱684,523,423	₱2,065,408,796	₱12,091,990	₱28,795,772,009

As at December 31, 2021 and 2020, the cost of fully depreciated property, plant and equipment that are still in use amounted to ₱1,822 million and ₱1,730 million, respectively.

Certain property and equipment are held as collaterals for long-term debt (see Note 18).



#### Construction-in-Progress

Included in construction in progress as at December 31, 2021 and 2020 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. Total project costs expected to be incurred amounted to ₱1,019 million and US\$13 million. The project is expected to be completed in May 2023.

#### Capitalized Borrowing Costs

Capitalized borrowing costs relating to plant structure amounted to ₱198 million in 2019 (nil in 2021 and 2020) for general borrowings. For the specific borrowings, capitalized borrowing cost amounted to ₱114 million in 2021, ₱65 million in 2020 and ₱805 million in 2019.

The rates used to determine the amount of borrowing costs eligible for capitalization are 5.02% to 9.16% in 2021 and 4.43% to 7.66% in 2020, which are the effective interest rates of the specific borrowings. In addition, the rate used to determine the amount of borrowing cost eligible for capitalization relating to general borrowings is 6.93%, which is the weighted average capitalization rate.

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### 13. Equity Investments Designated at FVOCI

As of December 31, this account consists of:

	2021	2020
Quoted		
Balance at beginning of year	₱122,931,676	₱128,497,454
Fair value gain (loss) during the year	16,695,982	(5,565,778)
Balance at end of year	139,627,658	122,931,676
Unquoted		
Balance at beginning and end of year	2,222,168,768	2,222,168,768
	₱2,361,796,426	₱2,345,100,444

The investment in unquoted securities consists of investment in 22 million preferred shares of Aldevinco amounting to ₱2,200 million as of December 31, 2021 and 2020. 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:

- Fair values of real estate inventories against estimated selling prices less cost to sell;
- Fair values of real estate properties against appraisal reports;
- Fair values of listed equity securities against quoted prices;
- Fair values of unlisted equity securities against adjusted net asset values of the investee companies; and
- Discount for lack of control and lack of marketability.



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

	2021	2020
Balance at beginning of year	₱47,068,822	₱41,503,044
Fair value loss (gain)	(16,695,982)	5,565,778
Balance at end of year	₱30,372,840	₱47,068,822

#### 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, 2021 and 2020, the carrying amount of goodwill amounted to ₱692 million. The Group recognized impairment loss amounting to ₱115 million in 2020 due to the decline in recoverable amount allocated to SPPC (see Note 27). No impairment loss was recognized in 2021 and 2019.

##### Key assumptions used in value-in-use calculations

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

*Contracted and dispatchable capacities.* Contracted capacity reflects the agreed capacity with electric cooperatives and distribution utility customers based on PSA and other relevant agreements while dispatchable capacity reflects management's estimate of actual energy to be delivered during the forecast periods, which include the contract period and assumed renewals. Contracted and dispatchable capacities over the forecast periods are based on historical performance of the CGUs, industry/market outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. The contracted and dispatchable capacities used in the value-in-use computation are shown below.

	2021		2020	
	Contracted Capacity	Dispatchable Capacity	Contracted Capacity	Dispatchable Capacity
SPPC	100%	2%	100%	2%
WMPC	73%	70%	51%	42%

*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, agreed Ancillary Services Procurement Agreement (ASPA) and other relevant agreements.

*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 12.9% to 16.0% and 12.0% to 18.0% in 2021 and 2020, respectively.

##### Sensitivity to Changes in Assumptions

Management believes that the value-in-use is most sensitive to WMPC's non-renewal of contracts after expiration and 26% reduction in SPPC's projected contracted capacity over the contract period since these would result in impairment (see Note 33).



## 15. Prepaid Expenses and Other Current Assets

	2021	2020
Debt-reserve account (Note 18)	<b>₱896,985,111</b>	₱908,566,621
Prepayments	<b>279,615,899</b>	168,637,390
Creditable withholding taxes	<b>46,011,072</b>	133,742,734
Input VAT	<b>21,703,838</b>	10,989,355
	<b>₱1,244,315,920</b>	₱1,221,936,100

## 16. Accounts Payable and Other Current Liabilities

	2021	2020
Accounts payable	<b>₱1,441,410,148</b>	₱2,625,394,297
Accrued expenses (Note 28)	<b>537,217,861</b>	711,806,227
Refundable deposits and retention payables	<b>632,800,401</b>	497,414,792
Dividends payable (Notes 21 and 35)	<b>749,999,985</b>	479,999,990
Interest payable (Note 18)	<b>274,995,147</b>	303,119,098
Output tax and withholding tax payable	<b>249,091,451</b>	182,298,189
Advances from customers	<b>35,210,284</b>	34,768,374
Current portion of lease liabilities (Note 30)	<b>2,130,447</b>	13,169,318
Other current liabilities	<b>319,811,668</b>	246,492,697
	<b>₱4,242,667,392</b>	₱5,094,462,982

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 ₱1,879 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 ₱1,879 million included as part of accounts payable is noninterest-bearing and payable on demand. On June 1, 2021, GBPC subscribed to additional common shares amounting to ₱1,879 million, which was settled through conversion of debt to equity.

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

Refundable deposits pertain to cash received from third parties which will be applied against the consideration upon execution of lease contracts while the retention payables pertain to payables to contractors which will be paid upon completion of documentary requirements.

Interest payable is normally settled semi-annually throughout the financial 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.





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## 17. Loans Payable and Short-term Notes Payable

### Loans Payable

#### *Parent Company*

In 2021 and 2020, the Company availed of unsecured short-term loans from local banks totaling to ₱1,378 million and ₱1,507 million, respectively. These loans are subject to annual fixed interest rates ranging from 1.75% to 3.00% per annum and are payable on various dates within one year. As at December 31, 2021 and 2020, outstanding short-term loans amounted to ₱1,571 million and ₱1,383 million, respectively.

#### *MPC*

MPC's loan from a local bank amounting to ₱50 million as of December 31, 2019 was settled in 2020.

Interest expense from short-term loans amounted to ₱65 million in 2021, ₱31 million in 2020 and ₱30 million in 2019 (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 Parent 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 and was paid in October 2019. These were issued at discounted amounts with net proceeds amounting to ₱94 million.

In 2019, the Parent 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. This was settled in 2021.

In 2021, the Parent Company has listed a total of ₱2,000 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,944 million.

Outstanding balance from the commercial papers amounted to ₱1,943 million and ₱893 million as at December 31, 2021 and 2020, respectively.

#### *Sarangani*

Sarangani availed of loan from local banks to be used as working capital amounting to ₱700 million in 2020 and ₱645 million in 2019, which were settled in the same year, with nominal interest rates ranging from 2.88% to 6.25% in 2020 and 5.50% to 6.25% in 2019.

Interest expense from short-term notes payable amounted to ₱48 million in 2021, ₱148 million in 2020 and ₱68 million in 2019 (see Note 26).



## 18. Long-term Debts

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

	2021	2020
<b>Parent Company</b>		
Philippine peso-denominated debt:		
Five-year fixed rate corporate note	₱5,188,925,000	₱5,215,000,000
Seven-year fixed rate corporate note	781,075,000	785,000,000
<b>Sarangani</b>		
Thirteen and a half-year peso-denominated floating rate debt	5,500,006,000	6,323,774,000
Ten and a half-year peso-denominated floating rate debt	9,445,800,000	10,069,500,000
	<b>20,915,806,000</b>	<b>22,393,274,000</b>
Less unamortized transaction costs	(328,596,511)	(399,992,258)
	<b>20,587,209,489</b>	<b>21,993,281,742</b>
Less current portion	(1,713,027,825)	(1,403,259,885)
Noncurrent portion	<b>₱18,874,181,664</b>	<b>₱20,590,021,857</b>

Movement in the unamortized transaction costs are as follows:

	2021	2020
Balances at beginning of year	₱399,992,258	₱400,285,296
Additions	—	94,827,513
Amortization (Note 26)	(71,395,747)	(95,120,551)
Balances at end of year	<b>₱328,596,511</b>	<b>₱399,992,258</b>

### Parent Company

The loans of the Parent Company consist of the following:

- Omnibus Notes Facility and Security Agreement (ONFSA)* - On November 23, 2020, ACR entered into a facility agreement with various noteholders with aggregate principal amount of ₱6,000 million divided into two (2) tranches: (a) Tranche A with principal amount of ₱5,215 million, subject to fixed interest rate of 5% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of ₱785 million, subject to fixed interest rate of 6%. The loans are payable semi-annually based on graduated rates of 0.5% of the principal in the first year, 22.5% in the 2<sup>nd</sup> to 6<sup>th</sup> year and 77% of the principal in the year of maturity. Proceeds of the loan shall be used to prepay ACR's fixed rate corporate notes facility, partly finance the investments in renewable energy projects and for general corporate purposes. ACR had drawn the entire loan facility amounting to ₱6,000 million as of December 31, 2020.

ACR shall maintain certain financial ratios such as debt-to-equity ratio of not more than 3.0 on the first and 2<sup>nd</sup> year, 2.75 on the 3<sup>rd</sup> year, 2.5 on the 4<sup>th</sup> year and 2.33 on the 5<sup>th</sup> year and until maturity, and debt service coverage ratio of not less than 1.1 at all times during the duration of the loan. As at December 31, 2021, ACR is in compliance with the debt covenants. Throughout the term of the loan, ACR is required to maintain a debt service reserve account with a balance of not less than the aggregate amount of principal and interest falling due and payable under the agreement on the immediately succeeding repayment date. As at December 31, 2021 and 2020, the remaining balance of debt reserve account amounted to ₱175 million and ₱173 million, respectively (see Note 15). Interest income earned from debt reserve account amounted to ₱5 million, ₱4 million and ₱15 million in 2021, 2020 and 2019, respectively.



The ONFSA is collateralized through the Share Collateral Security Agreement. Share collateral means (i) the share certificates, (ii) the shares legally and/or beneficially owned or to be owned by ACR in CHC, APHI and AREC, and any additional shares that shall be acquired in the future by ACR, (iii) the deposits for future subscription paid by ACR in CHC, APHI and AREC, and (iv) all the rights, title and interest of ACR to the share collateral.

- b. *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 7<sup>th</sup> year from the drawdown date. ACR then settled the remaining balance of fixed rate corporate notes facility in November 2020.

Details of the Parent Company's long-term debts are as follows:

	2021	2020
Long term debts	₱5,970,000,000	₱6,000,000,000
Less unamortized debt issue costs	(75,156,202)	(93,428,435)
	5,894,843,798	5,906,571,565
Less current portion of long-term debt	(10,836,402)	(11,727,767)
Balances at end of year	₱5,884,007,396	₱5,894,843,798

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

	2021	2020
Balances at beginning of year	₱93,428,435	₱35,947,367
Additions (Note 26)	—	94,827,513
Amortization of transaction costs (Note 26)	(18,272,233)	(37,346,445)
Balances at end of year	₱75,156,202	₱93,428,435

Interest expense recognized amounted to ₱306 million in 2021, ₱406 million in 2020 and ₱468 million in 2019 (see Note 26). Interest payable amounted to ₱29 million as at December 31, 2021 and 2020 (see Note 16).

#### Sarangani

The loans of Sarangani consist of the following:

- a. *Phase 1 of SM 200 project*

On December 12, 2012, the Company obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱9,300.00 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,600.00 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 ₱700.00 million for the construction of the transmission line. The Company 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 (8-1/2)-year treasury securities plus 2.75% spread per annum, or (b) interest rate applicable on the initial borrowing.



Under the OLSA, the Company shall create and constitute in favor of the collateral trustee real estate mortgage, which includes nine parcels of land registered in the name of the Company. The nine parcels of land have an aggregate area of 297,000 square meters and comprise the plant site of the Project amounted to ₱84.70 million (see Note-12). Further, chattel-mortgage shall consist of machinery, office and transportation equipment with a cost of ₱736.08 million as at December 31, 2021 and 2020 (see Note 12).

The Company 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, 2021 and 2020, the Company is in compliance with the loan covenants.

The Company shall also maintain certain financial ratios 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, 2021 and 2020, the Company was able to meet the required financial ratios (see Note 31).

The OLSA contains an embedded prepayment option where the Company may prepay the loan in whole or in part provided certain conditions are met. The Company assessed that the prepayment option is not required to be separated from the host contract.

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

Details of the Sarangani's long-term debts related to Phase 1 of the Project are as follows:

As at December 31, 2021:

	Series I	Series II	Total
Long-term debts	₱5,136,846,000	₱363,160,000	₱5,500,006,000
Less unamortized debt issue costs	(49,403,562)	(3,952,424)	(53,355,986)
	5,087,442,438	359,207,576	5,446,650,014
Less current portion of long-term debt - net of unamortized transaction costs	(859,238,099)	(62,155,403)	(921,393,502)
	₱4,228,204,339	₱297,052,173	₱4,525,256,512

As at December 31, 2020:

	Series I	Series II	Total
Long-term debts	₱5,901,324,000	₱422,450,000	₱6,323,774,000
Less unamortized debt issue costs	(66,449,610)	(5,050,986)	(71,500,596)
	5,834,874,390	417,399,014	6,252,273,404
Less current portion of long-term debt - net of unamortized transaction costs	(746,777,270)	(57,938,248)	(804,715,518)
	₱5,088,097,120	₱359,460,766	₱5,447,557,886



Interest incurred and amortized debt issue cost are as follows:

	2021	2020	2019
Interest expense (Note 26)	₱537,071,612	₱609,512,629	₱681,304,790
Amortization of debt issue costs (Note 26)	18,144,611	22,606,472	22,617,313
	₱555,216,223	₱632,119,101	₱703,922,103

Interest payable as at December 31, 2021 and 2020 amounted to ₱100 million and ₱111 million, respectively (see Note 16).

b. *Phase 2 of SM200 project*

On April 4, 2017, the Company obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱10,500.00 million broken down as follows: (1) Series 1 Loan in the principal amount of up to ₱8,500.00 million for the construction of the 105-MW coal-fired power plant; and (2) Series 2 Loan in the principal amount of up to ₱2,000.00 million for the construction of the transmission lines. The Company 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.

Under the OLSA, the Company shall create and constitute in favor of the collateral trustee real estate mortgage, which includes 14 parcels of land registered in the name of the Company 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 the Company amounted to ₱146.95 million (see Note 12). Further, chattel mortgage shall consist of machinery and transportation equipment with a cost of ₱314.78 million as at December 31, 2021 and 2020 (see Note 12).

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

The Company 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, among others. As at December 31, 2021 and 2020, the Company is in compliance with the loan covenants.

The Company shall also maintain certain financial ratios such as debt-to-equity ratio of not more than 2.33 and debt service coverage ratio of at least 1.10, provided that prior to dividend declarations, debt service coverage ratio is at least 1.25. As at December 31, 2021 and 2020, the Company was able to meet the required financial ratios (see Note 31).

The OLSA contains an embedded prepayment option where the Company may prepay the loan in whole or in part provided certain conditions are met. The Company assessed that the prepayment option is not required to be separated from the host contract.



Details of the Sarangani's long-term debts related to Phase 2 of the Project are as follows:

As at December 31, 2021:

	Series I	Series II	Total
Long-term debts	₱7,646,600,000	₱1,799,200,000	₱9,445,800,000
Less unamortized debt issue costs	(173,899,582)	(26,184,741)	(200,084,323)
	7,472,700,418	1,773,015,259	9,245,715,677
Less current portion of long-term debt - net of unamortized transaction costs	(629,950,880)	(150,847,041)	(780,797,921)
	₱6,842,749,538	₱1,622,168,218	₱8,464,917,756

As at December 31, 2020:

	Series I	Series II	Total
Long-term debts	₱8,151,500,000	₱1,918,000,000	₱10,069,500,000
Less unamortized debt issue costs	(203,883,197)	(31,180,030)	(235,063,227)
	7,947,616,803	1,886,819,970	9,834,436,773
Less current portion of long-term debt - net of unamortized transaction costs	(472,868,623)	(113,947,977)	(586,816,600)
	₱7,474,748,180	₱1,772,871,993	₱9,247,620,173

Interest expense and amortized debt issue cost of Phase 2 recorded as expense are as follows:

	2021	2020	2019
Interest expense (Note 26)	₱781,658,813	₱855,506,220	₱747,643,251
Amortization of debt issue costs (Note 26)	34,978,903	35,167,634	21,486,465
	₱816,637,716	₱890,673,854	₱769,129,716

Interest payable as at December 31, 2021 and 2020 amounted to ₱146 million and ₱163 million, respectively (see Note 16).

The loan agreement requires the Company to maintain debt service reserve account. As at December 31, 2021 and 2020, the balance of debt service reserve account amounted to ₱722 million and ₱736 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. Interest income earned from debt service reserve account amounted to nil in 2021, ₱13 million in 2020 and ₱28 million in 2019.

## 19. Decommissioning Liabilities

Under their ECC, SPPC, WMPC and Sarangani have obligations to decommission or dismantle its power plant complexes at the end of the useful lives of the power plant assets. In this regard, SPPC, WMPC and Sarangani established provision to recognize their estimated liabilities for the dismantlement of their power plant complexes.



Movements in decommissioning liabilities are as follows:

	2021	2020
Balances at beginning of year	₱385,909,929	₱374,915,615
Accretion (Note 26)	13,564,895	18,546,685
Effects of changes in estimated future decommissioning costs and discount rate:		
Recognized in the consolidated statement of income (Note 27)	—	4,173,144
Recognized as adjustment to property, plant and equipment (Note 12)	26,349,652	(11,725,515)
Balances at end of year	₱425,824,476	₱385,909,929

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 obligations 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 5.07% to 5.09% and 3.95% to 3.96% at December 31, 2021 and 2020, 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	2021	₱405,549,937	₱2,201,175,865	Payable upon demand,	Unsecured,
	2020	₱242,020,657	₱1,745,217,050	noninterest-bearing	no impairment
Subsidiaries of major stockholders	2021	35,780,977	185,814,209	Payable upon demand,	Unsecured,
	2020	9,561,270	150,033,232	noninterest-bearing	no impairment
Affiliates*	2021	—	63,616,223	Payable upon demand,	Unsecured,
	2020	43,418,939	114,025,101	noninterest-bearing	no impairment
Total	2021	₱441,330,914	₱2,450,606,297		
	2020	₱295,000,866	₱2,009,275,383		

\*Affiliates are entities with common stockholders or directors.

Compensation of key management personnel amounted to ₱96 million, ₱87 million and ₱89 million in 2021, 2020 and 2019, respectively, representing short-term employee benefits.

## 21. Equity

### Capital Stock

	2021		2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized</b>				
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
	2021		2020	
	No. of shares	Amount	No. of shares	Amount
<b>Common</b>				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
<b>Preferred</b>				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(2,016,667)		(6,416,667)
		₱6,344,483,333		₱6,340,083,333

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:

- 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.
- 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 2020 and 2019.





- 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, 2021 and 2020, subscriptions receivable from AC amounted to ₱2 million and ₱6 million, net of the 8% dividends declared for preferred shares in 2021 and 2020, 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

On May 4, 2012 and March 28, 2014, the BOD approved the appropriation of ₱850 million and ₱850 million of its retained earnings as at December 31, 2011 and December 31, 2013, respectively, for its equity contributions to various projects.

On December 11, 2016, the BOD approved the reversal of appropriation relating to Phase 1 of the Sarangani project amounting to ₱400 million.

On March 22, 2018, the BOD approved the reversal of appropriation relating to Phase 2 of the Sarangani project amounting to ₱200 million.

The appropriated retained earnings as of December 31, 2021 and 2020 is for the following projects:

Project Name	Nature/Project Description	Amount (in millions)	Timeline (Year)
Siguil	Hydro-electric power in Maasim, Sarangani	₱370	2023
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	600	2024
Bago	Hydro-electric power in Negros Occidental	130	2025
		₱1,100	



The Company declared the following cash dividends on its common shares:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2021	May 20, 2021	₱125,830,000	₱0.020	June 30, 2021	July 23, 2021
2020	July 9, 2020	125,830,000	0.020	July 23, 2020	August 4, 2020
2019	May 30, 2019	125,830,000	0.020	June 30, 2019	July 24, 2019

Dividends on preferred shares amounting to ₱4.4 million for each year were applied against the Group's subscriptions receivable from AC (see Note 35).

*Restriction in dividend distribution*

The Group's unappropriated retained earnings attributable to the equity holders of the Parent Company is restricted for dividend declaration to the extent of undistributed earnings of subsidiaries amounting to ₱3,250 million and ₱1,681 million as of December 31, 2021 and 2020, respectively.

Equity Reserves

*Acquisition of non-controlling interest*

On July 2, 2013, the Parent Company entered into a Share Purchase Agreement to acquire 40% interest in voting shares of CHC, increasing its ownership to 100%. Cash consideration paid on August 1, 2013 amounted to ₱528 million (US\$12.16 million). The carrying value of the net assets of CHC was ₱2,456 million (US\$38.97 million).

Following is the schedule of additional interest acquired in CHC in 2013:

Carrying value of the additional interest in CHC	₱982,232,166
Cash consideration paid to non-controlling interest	(527,910,397)
Excess of book value of non-controlling interest acquired over acquisition cost	<u>₱454,321,769</u>

The excess of book value of non-controlling interest acquired over acquisition cost was recognized in equity as follows:

Absorbed cumulative translation adjustment from acquired non-controlling interest	₱308,841,072
Included as part of other equity reserves	145,480,697
	<u>₱454,321,769</u>

*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. 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 per share

Earnings per share attributable to equity holders of the Parent Company is computed as follows:

	2021	2020	2019
Net income attributable to equity holders of the parent*	<b>₱400,155,589</b>	₱320,706,338	₱143,110,733
Average number of shares outstanding for the year	<b>6,291,500,000</b>	6,291,500,000	6,291,500,000
Basic/diluted earnings per share	<b>₱0.064</b>	₱0.051	₱0.023

\*net of ₱4.4 million dividends on preferred shares

**22. Cost of Services**

The Group's cost of services are as follows:

	2021	2020	2019
Coal, fuel, oil and lubricants	<b>₱3,881,997,519</b>	₱2,416,633,323	₱2,490,010,567
Depreciation and amortization (Notes 12 and 25)	<b>1,454,710,825</b>	1,649,809,019	1,005,873,416
Repairs and maintenance	<b>270,280,628</b>	126,120,507	287,935,819
Personnel costs (Notes 24 and 28)	<b>206,456,062</b>	196,749,874	166,659,153
Insurance expense	<b>178,253,529</b>	146,040,820	104,923,244
Utilities	<b>113,808,468</b>	39,439,662	46,929,800
Contracted services	<b>36,654,173</b>	30,898,802	35,734,560
Taxes and licenses	<b>32,489,456</b>	14,543,611	1,178,104
Property administration	<b>3,327,902</b>	2,403,762	285,621
Others	<b>77,326,405</b>	65,304,437	97,434,906
	<b>₱6,255,304,967</b>	₱4,687,943,817	₱4,236,965,190

**23. General and Administrative Expenses**

The Group's general and administrative expenses are as follows:

	2021	2020	2019
Personnel costs (Notes 24 and 28)	<b>₱259,230,157</b>	₱248,285,976	₱213,161,127
Taxes and licenses	<b>112,545,702</b>	48,888,736	59,629,323
Depreciation and amortization (Notes 12 and 25)	<b>67,321,909</b>	67,266,143	70,960,864
Outside services	<b>60,991,647</b>	42,280,846	71,456,162
Marketing expense	<b>25,510,685</b>	22,597,692	42,596,992
Utilities	<b>25,226,850</b>	18,420,547	15,722,075
Transportation and travel	<b>21,848,871</b>	18,363,346	25,567,750
Provision for expected credit loss (Note 8)	<b>21,496,118</b>	—	—
Representation	<b>4,333,541</b>	639,470	1,576,682
Customer relations	<b>3,596,217</b>	1,878,658	4,778,474
Directors and executive fees and bonuses	<b>3,300,000</b>	2,955,000	5,331,445
Supplies	<b>2,503,223</b>	1,948,108	4,114,859
Telephone, telegraph and postage	<b>1,509,536</b>	5,716,742	4,108,967
Insurance	<b>1,238,756</b>	1,084,640	956,697
Commissions	<b>—</b>	139,500	185,000
Others	<b>67,386,107</b>	54,873,434	77,744,982
	<b>₱678,039,319</b>	₱535,338,838	₱597,891,399



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:

	2021	2020	2019
Cost of services (Note 22)	<b>₱206,456,062</b>	₱196,749,874	₱166,659,153
General and administrative expenses (Note 23)	<b>259,230,157</b>	248,285,976	213,161,127
	<b>₱465,686,219</b>	<b>₱445,035,850</b>	<b>₱379,820,280</b>
Salaries, wages and bonuses	<b>₱367,821,769</b>	₱351,849,315	₱312,993,194
Retirement benefits costs (Note 28)	<b>28,027,932</b>	26,035,778	15,382,531
Other employee benefits	<b>69,836,518</b>	67,150,757	51,444,555
	<b>₱465,686,219</b>	<b>₱445,035,850</b>	<b>₱379,820,280</b>

#### 25. Depreciation and Amortization

	2021	2020	2019
Cost of services (Note 22)	<b>₱1,454,710,825</b>	₱1,649,809,019	₱1,005,873,416
General and administrative expenses (Note 23)	<b>67,321,909</b>	67,266,143	70,960,864
	<b>₱1,522,032,734</b>	<b>₱1,717,075,162</b>	<b>₱1,076,834,280</b>
Property, plant and equipment (Note 12)	<b>₱1,519,083,916</b>	₱1,713,873,512	₱1,071,858,083
Amortization of software costs	<b>2,894,741</b>	3,146,219	4,839,397
Investments in real estate (Note 10)	<b>54,077</b>	55,431	136,800
	<b>₱1,522,032,734</b>	<b>₱1,717,075,162</b>	<b>₱1,076,834,280</b>

#### 26. Finance Charges

	2021	2020	2019
Interest on long-term debts, loans payable and short-term notes payable (Notes 17 and 18)	<b>₱1,624,285,682</b>	₱1,985,072,594	₱991,946,957
Amortization of transaction costs and debt issue costs (Note 18)	<b>71,395,747</b>	95,120,551	73,486,107
Interest on decommissioning liabilities (Note 19)	<b>13,564,895</b>	18,546,685	14,526,671
Interest expense on lease liabilities (Note 30)	<b>1,174,764</b>	1,754,821	1,053,997
Other finance charges	<b>6,522,463</b>	10,071,165	—
	<b>₱1,716,943,551</b>	<b>₱2,110,565,816</b>	<b>₱1,081,013,732</b>



## 27. Other Income (Charges)

	2021	2020	2019
Financing and other bank charges	(P22,260,969)	(P13,031,862)	(P4,003,037)
Foreign exchange gain (loss) - net	14,640,298	10,572,698	(42,545,740)
Gain on sale of property, plant and equipment	2,975,284	252,403	1,168,423
Impairment loss on goodwill (Note 14)	-	(114,500,000)	-
Provision for decommissioning liabilities (Note 14)	-	(4,173,144)	-
Dispatch discharge	-	-	8,690,038
Reversal of accrual for compensated absences	-	-	4,665,169
Recovery of impairment losses on real estate inventories due to sale (Note 10)	-	-	663,673
Others	(2,088,650)	39,654,449	6,700,612
	(P6,734,037)	(P81,225,456)	(P24,660,862)

Others pertain significantly to sales of sludge and reversal of provisions.

## 28. Employee Benefits

### a. Retirement Benefits

The Parent Company, ALC, Siguil and Sindangan have unfunded, noncontributory defined benefit retirement plans while SPPC, WMPC, MPC, APMC, APSC and Sarangani 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, 2020.

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, MPC, APMC, APSC and Sarangani

The tables below summarize the movements in net retirement liabilities of SPPC, WMPC, MPC, APMC, APSC and Sarangani.

As at December 31, 2021:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Liabilities (Assets)
Balances at beginning of year	P181,031,014	P104,348,156	P76,682,858
Retirement benefits cost recognized			
in profit or loss:			
Current service cost	24,000,020	-	24,000,020
Net interest	5,821,801	3,045,252	2,776,549
	29,821,821	3,045,252	26,776,569
Transfers to affiliates	(3,808,936)	-	(3,808,936)

(Forward)



	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Liabilities (Assets)
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	₱-	₱3,877,191	(₱3,877,191)
Arising from changes in financial assumptions	(20,049,921)	-	(20,049,921)
Due to experience adjustments	(3,112,974)	-	(3,112,974)
	(23,162,895)	3,877,191	(27,040,086)
Contributions		31,653,557	(31,653,557)
Benefits paid	(40,281,566)	(40,281,566)	-
Balances at end of year	₱143,599,438	₱102,642,590	₱40,956,848

As at December 31, 2020:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Liabilities (Assets)
Balances at beginning of year	₱148,046,322	₱102,554,658	₱45,491,664
Retirement benefits cost recognized in profit or loss:			
Current service cost	19,672,142	-	19,672,142
Net interest income	6,864,314	4,534,891	2,329,423
	26,536,456	4,534,891	22,001,565
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	-	(2,741,393)	2,741,393
Arising from changes in financial assumptions	18,629,422	-	18,629,422
Due to experience adjustments	(12,181,186)	-	(12,181,186)
	6,448,236	(2,741,393)	9,189,629
At December 31, 2020	₱181,031,014	₱104,348,156	₱76,682,858

The Group Plan is being maintained by Banco de Oro Unibank, Inc. - Trust and Investments Group (BDO - TIG), a trustee bank.

The components of plan assets of the Group Plan follow:

	2021	2020
Cash and cash equivalents	0.00%	0.00%
Investments in unit investment trust fund (UITF)	0.90%	8.46%
Investments in shares of stock	73.66%	68.70%
Investments in debt and other securities	22.61%	20.04%
Investments in government securities	2.15%	2.30%
Others	0.68%	0.50%
	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 until 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 until 2037; and
- Other financial assets held by the Group Plan consist primarily of interest and dividends receivable.

The Group does not expect to contribute to the fund in 2022.

#### ACR, ALC, Siguil and Sindangan

The following tables summarize the movements in retirement benefits liabilities of the Parent Company, ALC, Siguil and Sindangan:

	2021	2020
Balances at beginning of year	<b>₱13,384,440</b>	<b>₱10,841,410</b>
Retirement benefits cost charged in profit or loss:		
Current service cost	<b>1,150,455</b>	3,418,944
Interest cost	<b>100,908</b>	615,269
	<b>1,251,363</b>	4,034,213
Remeasurements losses (gains) recognized in OCI arising from:		
Changes in financial assumptions	<b>(116,627)</b>	1,598,460
Experience adjustments	<b>(487,487)</b>	(1,977,170)
Changes in demographic assumptions	<b>—</b>	(1,112,473)
	<b>(604,114)</b>	(1,491,183)
Balances at end of year	<b>₱14,031,689</b>	<b>₱13,384,440</b>

The net retirement assets and liabilities in the consolidated statements of financial position are as follows:

	Net retirement assets		Retirement benefits liabilities	
	2021	2020	2021	2020
Funded	<b>₱20,416,872</b>	₱18,401,312	<b>(₱13,307,281)</b>	₱19,901,410
Unfunded	<b>—</b>	—	<b>88,712,690</b>	88,567,200
Total	<b>₱20,416,872</b>	₱18,401,312	<b>₱75,405,409</b>	₱108,468,610

#### Actuarial Assumptions

The principal assumptions used in determining retirement benefits obligation are as follows:

*SPPC, WMPC, MPC, APMC, APSC and Sarangani:*

	December 31, 2021	January 1, 2021	January 1, 2020
Discount rates	<b>4.85%-5.13%</b>	2.92%-4.98%	4.24%-4.96%
Future salary increases	<b>5.00%</b>	5.00%	5.00%



ACR, ALC, Siguil and Sindangan:

	December 31, 2021	January 1, 2021	January 1, 2020
Discount rates	2.95%-5.20%	2.95%-4.01%	4.96%-5.20%
Future salary increases	5.00%-10.00%	5.00%-10.00%	5.00%-10.00%

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The sensitivity analysis shown in the next page 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, 2021:

	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	₱115,611	+0.5%	(₱5,346,375)
	-0.5%	1,556,587	-0.5%	5,960,598
Salary increase rates	+1.0%	3,021,476	+1.0%	12,096,021
	-1.0%	(2,629,927)	-1.0%	(9,851,397)

As at December 31, 2020:

	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱2,001,827)	+0.5%	(₱6,173,996)
	-0.5%	2,149,929	-0.5%	6,952,876
Salary increase rates	+1.0%	4,173,027	+1.0%	14,076,780
	-1.0%	(3,705,356)	-1.0%	(11,388,278)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2021	2020
Less than 1 year	₱61,876,779	₱94,238,018
More than 1 year to 5 years	14,326,197	8,902,142
More than 5 years to 10 years	56,383,235	60,062,297
More than 10 years to 15 years	103,853,009	77,096,497
More than 15 years to 20 years	129,584,652	137,847,560
More than 20 years	1,081,437,065	1,132,719,793

b. Compensated Absences

All regular employees of CHC and its subsidiaries, ATEC and its subsidiaries, Siguil, Sindangan and APSC 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. The employee has the option to convert unused leave credits in the succeeding year. Accrued leave credits (recognized under "Accrued expenses" account in "Accounts payable and other current liabilities") amounted to ₱34 million and ₱17 million as of December 31, 2021 and 2020, respectively. Cost of compensation absences amounted to ₱4 million in 2021 and ₱5 million in 2020 and 2019.





## 29. Income Taxes

- a. Provision for current income tax consists of:

	2021	2020	2019
RCIT	<b>₱105,122,885</b>	₱139,472,754	₱143,673,477
Gross income tax	<b>85,768,819</b>	137,328,836	66,890,467
MCIT	<b>589,464</b>	677,687	1,384,863
	<b>₱191,481,168</b>	₱277,479,277	₱211,948,807

- b. Following is the reconciliation between the statutory tax rate on income before income tax and the effective tax rates:

	2021	2020	2019
Statutory income tax rate	<b>25.00%</b>	30.00%	30.00%
Tax effects of:			
Net unrecognized deferred tax assets	<b>(15.61%)</b>	12.50%	18.00%
Translation adjustments, income of certain subsidiaries enjoying tax holidays and others - net	<b>(0.27%)</b>	(28.90%)	(41.60%)
Effect of change in income tax rates	<b>2.02%</b>	—	—
Effective income tax rate	<b>11.14%</b>	13.60%	6.40%

### CREATE Act

The President of the Republic of the Philippines signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

Also, registered business enterprises currently availing of the 5% tax on gross income earned granted prior to this Act shall be allowed to continue availing the said tax incentive at the rate of 5% for 10 years unless the extension will be approved by the government.

The impact of the Act was accounted for prospectively, which resulted in the change of tax rates applied both for current and deferred income taxes. This resulted in reduction in the current income tax due for the taxable year 2020 amounting to ₱13 million for the Group. The reduced amounts were reflected in the 2020 Annual Income Tax Returns filed in 2021. For financial reporting purposes, such reductions in the 2020 current income taxes were recognized in the 2021 consolidated financial statements as reduction to 2021 income tax expense.



The deferred tax assets as of December 31, 2021 were also remeasured using the applicable rates upon the reversal of temporary differences which resulted in net decrease of deferred income tax liabilities by ₱33 million.

There were no tax-related contingent liabilities and contingent assets arising from the changes in the tax rates due to CREATE Act.

- c. Deferred income tax assets (liabilities) pertain to the income tax effects of the following:

	2021		2020	
	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
<b>Deferred Income Tax Assets</b>				
NOLCO	₱6,819,695	₱33,232,598	₱29,496,434	₱20,114,779
Unrealized intercompany transactions	34,765,173	—	60,895,126	—
Decommissioning liabilities	—	55,952,152	—	23,829,760
Impairment losses on projects costs	—	597,846	4,274,186	717,415
Actuarial loss recognized in equity	2,534,594	—	3,821,353	—
Accrued vacation and sick leaves	3,102,949	760,346	3,702,978	2,371,640
Net retirement plan liabilities	3,186,669	7,842,422	3,673,487	3,904,737
Unamortized past service cost	2,632,203	—	1,920,430	—
Allowance for impairment loss	—	3,290,407	1,518,887	3,948,927
Unrealized foreign exchange losses	—	49,225	—	123,356
Lease liability	—	1,221,886	—	—
Difference between accounting and tax depreciation	13,202,533	—	—	—
	<b>66,243,816</b>	<b>102,946,882</b>	<b>109,302,881</b>	<b>55,010,614</b>
<b>Deferred Income Tax Liabilities</b>				
Capitalized interest	—	(387,979,318)	—	(478,595,991)
Fair value adjustment on real estate inventories	—	(122,807,464)	—	(147,368,957)
Contract assets	—	(188,626,266)	—	(82,174,863)
Difference between financial and tax depreciation	—	(73,637,291)	—	(81,673,270)
Difference between tax and financial amortization of transaction costs	(22,518,499)	—	(28,028,531)	—
Effect of change in functional currency	—	(18,508,738)	(2,495,247)	(24,781,649)
Capitalized decommissioning asset	(2,828)	(28,309,471)	(225,774)	(13,132,008)
Retirement plan assets	—	(3,688,826)	—	(4,807,543)
Actuarial gains recognized in equity	(691,786)	(861,484)	—	(118,851)
Right-of-use asset	—	(1,175,594)	—	—
Unrealized foreign exchange gains	(10,226)	(67,560)	—	—
	<b>(23,223,339)</b>	<b>(825,662,012)</b>	<b>(30,749,552)</b>	<b>(832,653,132)</b>
	<b>₱43,020,477</b>	<b>(₱722,715,130)</b>	<b>₱78,553,329</b>	<b>(₱777,642,518)</b>



- 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:

	2021	2020
NOLCO	₱1,842,780,355	₱1,955,448,660
Cumulative translation adjustments	112,313,794	112,401,645
Allowance for expected credit losses	53,226,576	31,730,458
Excess MCIT	5,638,469	5,145,468
Impairment losses on property, plant and equipment	2,100,000	2,100,000
Unrealized foreign exchange losses	—	12,425,670
Others	10,729,946	10,594,811

The deferred income tax on cumulative translation adjustment was not recognized because the Parent Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Movements of NOLCO and excess MCIT follow:

	2021		2020	
	NOLCO	Excess MCIT	NOLCO	Excess MCIT
Balances at beginning of year	₱2,120,819,370	₱5,145,468	₱2,056,361,489	₱5,060,024
Additions	515,251,536	589,464	776,473,336	677,687
Utilization	(6,834,484)	—	—	—
Expiration	(626,246,895)	(96,463)	(712,015,455)	(592,243)
Balances at end of year	₱2,002,989,527	₱5,638,469	₱2,120,819,370	₱5,145,468

As of December 31, 2021, the Group has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Available Until	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021
2018	2021	₱633,081,379	₱—	(₱633,081,379)	₱—
2019	2022	711,264,655	—	—	711,264,655
		₱1,344,346,034	₱—	(₱633,081,379)	₱711,264,655

As of December 31, 2021, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Available Until	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021
2020	2025	₱776,473,336	₱—	₱—	₱776,473,336
2021	2026	—	515,251,536	—	515,251,536
		₱776,473,336	515,251,536	₱—	₱1,291,724,872



The carryforward benefits of excess MCIT over RCIT that can be claimed as deduction from future regular taxable income are as follows:

Year Incurred	Available Until	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021
2018	2021	₱96,463	₱—	(₱96,463)	₱—
2019	2022	4,371,318	—	—	4,371,318
2020	2023	677,687	—	—	677,687
2021	2024	—	589,464	—	589,464
		₱5,145,468	₱589,464	(₱96,463)	₱5,638,469

### 30. Lease Commitments

#### Group as a Lessee

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.

Siguil has several lease agreements for parcels of land to be used in the operations of the power plant. The lease agreements have lease terms of 3-50 years. Siguil paid in advance the lease rentals for the duration of the lease agreements and were capitalized as part of the right-of-use assets. The depreciation expense on the right-of-use assets was capitalized as part of the construction-in progress.

On June 30, 2021, WMPC entered into a 10-year lease agreement with a third party for the easement and pier usage during fuel deliveries.

Set out below, are the amounts recognized in the consolidated statements of income:

	2021	2020	2019
Depreciation expense of right-of-use assets	₱25,098,432	₱11,741,891	₱11,440,263
Interest expense on lease liabilities	1,227,007	1,832,902	2,418,712
Rent expense - short-term leases (Note 23)	1,119,138	1,646,892	1,877,508
	₱27,444,577	₱15,221,685	₱15,736,483

Total cash outflow for leases amounted to ₱16 million, ₱14 million and ₱15 million in 2021 2020 and 2019, respectively.

Recoverable deposits related to the lease agreement amounted to ₱5 million and ₱4 million as of December 31, 2021 and 2020, respectively.

Set out below, is the rollforward analysis of lease liabilities during the years ended December 31, 2021 and 2020:

	2021	2020
Beginning balances	₱14,723,760	₱24,999,480
Additions	9,160,639	—
Interest expense on lease liabilities	1,235,675	1,832,902
Payments of:		
Principal portion	(13,945,715)	(10,275,720)
Interest	(1,235,675)	(1,832,902)
Ending balances	9,938,684	14,723,760
Less current portion (Note 16)	(2,130,447)	(13,169,318)
Noncurrent portion	₱7,808,237	₱1,554,442



Shown below is the maturity analysis of the undiscounted lease payments:

	2021	2020
Within one year	₱2,483,608	₱13,581,912
More than 1 years to 2 years	1,412,857	1,138,030
More than 2 years to 3 years	1,483,499	—
More than 3 years	₱8,278,533	₱—

#### Group as a Lessor

The Group entered into 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 ₱8 million, ₱6 million and ₱10 million in 2021, 2020 and 2019, 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 and ASPA 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.

	2021	2020
Cash and cash equivalents*	₱2,863,652,980	₱2,702,257,406
Short-term cash investments	112,434,574	105,873,559
Trade and other receivables		
Trade receivables		
Power	2,158,135,663	1,747,336,421
Real estate**	67,963,366	69,379,992
Contract assets	1,782,852,895	1,582,858,256
Retention receivables	14,655,481	15,455,481
Due from related parties and others***	2,525,023,620	2,042,588,988
Debt reserve accounts	896,985,111	908,566,621
	<b>₱10,421,703,690</b>	<b>₱9,174,316,724</b>

\*Excludes cash on hand amounting to ₱0.5 million and ₱0.6 million as at December 31, 2021 and 2020, respectively.

\*\*Includes noncurrent portion of receivables amounting to ₱3.5 million and ₱58 million as at December 31, 2021 and 2020, respectively.

\*\*\*Excludes advances for business expenses and advances to employees totaling to ₱21.1 million and ₱24.1 million as at December 31, 2021 and 2020, 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.

For trade receivables from real estate sales, the Group uses the vintage analysis in calculating the ECLs. Vintage analysis calculates the vintage default rate of each period through a ratio of default occurrences of each given point in time in that year to the total number of receivable issuances or occurrences during that period or year. The rates are also determined based on the default occurrences of customer segments that have similar loss patterns (i.e., by payment scheme). The vintage analysis is initially based on the Group's historical observed default rates. The Group will 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, except for receivables from real estate sales that are collateralized by the underlying properties sold.

*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.



*Cash and cash equivalents, short-term investments and debt reserve accounts.* 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.

Cash and cash equivalents, short-term cash investments and debt 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.

*Concentration of credit risk*

The Group has concentration of credit risk due to sales to significant customers. Three customers accounted for approximately 54%, 54% and 62% of its total revenue from contracts with customers in 2021, 2020 and 2019, respectively. The Group's top five customers accounted for approximately 68%, 67%, and 74% of its total revenue from contracts with customers in 2021, 2020 and 2019, respectively.

The carrying amounts of financial assets at amortized cost approximate the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The following tables below summarize the credit quality of the Group's financial assets (gross of allowance for impairment losses) as at December 31:

	2021					Total
	Minimal Risk	Average Risk	High Risk	Past Due (1-90 Days)	Credit Impaired	
Cash and cash equivalents*	₱2,863,652,980	₱-	₱-	₱-	₱-	₱2,863,652,980
Short-term cash investments	112,434,574	-	-	-	-	112,434,574
Trade and other receivables						
Trade receivables						
Power	2,158,135,663	-	-	-	54,963,744	2,213,099,407
Real estate	11,859,343	-	-	56,104,023	13,163,091	81,126,457
Product distribution and others	-	-	-	-	31,730,458	31,730,458
Contract assets	1,782,852,895	-	-	-	-	1,782,852,895
Retention receivables	14,655,481	-	-	-	-	14,655,481
Due from related parties and others**	2,525,023,620	-	-	-	5,074,645	2,530,098,265
Debt reserve accounts	896,985,111	-	-	-	-	896,985,111
	₱10,365,599,667	₱-	₱-	₱56,104,023	₱104,931,938	₱10,526,635,628

\*Excludes cash on hand amounting to ₱0.5 million as at December 31, 2021.

\*\*Excludes advances for business expenses and advances to employees totaling to ₱21.1 million as at December 31, 2021.

	2020					Total
	Minimal Risk	Average Risk	High Risk	Past Due (1-90 Days)	Credit Impaired	
Cash and cash equivalents*	₱2,702,257,406	₱-	₱-	₱-	₱-	₱2,702,257,406
Short-term cash investments	105,873,559	-	-	-	-	105,873,559
Trade and other receivables						
Trade receivables						
Power	1,614,385,478	-	-	132,950,943	33,467,626	1,780,804,047
Real estate	13,275,969	-	-	56,104,023	13,163,091	82,543,083
Product distribution and others	-	-	-	-	31,730,458	31,730,458
Contract assets	1,582,858,256	-	-	-	-	1,582,858,256
Retention receivables	15,455,481	-	-	-	-	15,455,481
Due from related parties and others**	2,042,588,988	-	-	-	5,074,645	2,047,663,633
Debt reserve accounts	908,566,621	-	-	-	-	908,566,621
	₱8,985,261,758	₱-	₱-	₱189,054,966	₱83,435,820	₱9,257,752,544

\*Excludes cash on hand amounting to ₱0.6 million as at December 31, 2020.

\*\*Excludes advances for business expenses and advances to employees totaling to ₱24.1 million as at December 31, 2020.



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:

	2021			Total
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	
Cash and cash equivalents*	₱2,863,652,980	₱—	₱—	₱2,863,652,980
Short-term cash investments	112,434,574	—	—	112,434,574
Other receivables:				
Retention receivables	14,655,481	—	—	14,655,481
Due from related parties and others**	2,525,023,620	—	5,074,645	2,530,098,265
Debt reserve accounts	896,985,111	—	—	896,985,111
	₱6,412,751,766	₱—	₱5,074,645	₱6,417,826,411

\*Excludes cash on hand amounting to ₱0.5 million as at December 31, 2021.

\*\*Excludes advances for business expenses and advances to employees totaling to ₱21.1 million as at December 31, 2021.

	2020			Total
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	
Cash and cash equivalents*	₱ 2,702,257,406	₱—	₱—	₱2,702,257,406
Short-term cash investments	105,873,559	—	—	105,873,559
Other receivables:				
Retention receivables	15,455,481	—	—	15,455,481
Due from related parties and others**	2,042,588,988	—	5,074,645	2,047,663,633
Debt reserve accounts	908,566,621	—	—	908,566,621
	₱5,774,742,055	₱—	₱5,074,645	₱5,779,816,700

\*Excludes cash on hand amounting to ₱0.6 million as at December 31, 2020.

\*\*Excludes advances for business expenses and advances to employees totaling to ₱24.1 million as at December 31, 2020.

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:

	2021				
	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	₱1,782,852,895	₱1,870,801,819	₱199,394,438	₱56,208,948	₱3,909,258,100
Expected credit loss	—	—	—	—	—
Credit impaired	—	—	—	86,694,202	86,694,202
Total expected credit loss	₱—	₱—	₱—	₱86,694,202	₱86,694,202





	2020				
	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	P1,582,858,256	P1,614,385,478	P132,950,943	P-	P3,330,194,677
Expected credit loss	-	-	-	-	-
Credit impaired	-	-	-	65,198,084	65,198,084
Total expected credit loss	P-	P-	P-	P65,198,084	P65,198,084

Set out below is the credit risk exposure on the Group's trade receivables from real estate sales using vintage analysis:

	2021	2020
Expected credit loss rate	0%	0%
Estimated total gross carrying amount at default	P67,963,366	P69,379,992

Credit-impaired trade receivables from real estate sales amounted to P13 million as of December 31, 2021 and 2020 which have been fully provided with allowance for expected credit loss.

#### Liquidity Risk

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

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

	2021						Total
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 4 Years	4-5 Years	5 Years onwards	
<b>Financial Liabilities:</b>							
Accounts payable and other current liabilities*	P2,364,974,516	P1,069,717,580	P246,547,967	P-	P-	P-	P3,681,240,063
Short-term notes and loans payable**	-	678,199,150	2,840,650,191	-	-	-	3,518,849,341
Long-term debts**	-	-	1,482,524,340	10,288,921,035	2,913,675,063	5,382,162,248	20,067,282,686
Lease liabilities**	-	1,471,645	1,011,963	4,454,030	1,635,558	5,085,301	13,658,497
	P2,364,974,516	P1,749,388,375	P4,570,734,461	P 10,293,375,065	P2,915,310,621	P5,387,247,549	P27,281,030,587
<b>Financial Assets:</b>							
Cash and cash equivalents	P2,864,190,106	P-	P-	P-	P-	P-	P2,864,190,106
Short-term cash investments	-	-	112,434,574	-	-	-	112,434,574
Receivables	209,187,486	1,895,490,941	117,908,633	3,511,969	-	-	2,226,099,029
Debt reserve accounts	-	-	896,985,111	-	-	-	896,985,111
Retention receivable	-	-	14,655,481	-	-	-	14,655,481
Due from related parties and others	2,525,023,620	-	-	-	-	-	2,525,023,620
	P5,598,401,212	P1,895,490,941	P1,141,983,799	P 3,511,969	P-	P-	P8,639,387,921

\* Excluding accrued interest, payable to government agencies, current portion of lease liabilities and advances from customers totaling to P561 million.

\*\* Including interest payable computed using prevailing rate as at December 31, 2021.

	2020						Total
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 4 Years	4-5 Years	5 Years onwards	
<b>Financial Liabilities:</b>							
Accounts payable and other current liabilities*	P3,155,498,692	P1,118,064,913	P287,544,398	P-	P-	P-	P4,561,108,003
Short-term notes and loans payable**	-	1,740,459,252	609,121,250	-	-	-	2,349,580,502
Long-term debts**	-	-	3,044,932,878	6,723,803,827	10,647,583,868	7,413,124,219	27,829,444,792
Lease liabilities**	-	3,054,900	10,527,012	1,138,030	-	-	14,719,942
	P3,155,498,692	P2,861,579,065	P3,952,125,538	P6,724,941,857	P10,647,583,868	P7,413,124,219	P34,754,853,239

(Forward)



	2020						Total
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 4 Years	4-5 Years	5 Years onwards	
<b>Financial Assets:</b>							
Cash and cash equivalents	P2,702,894,906	P-	P-	P-	P-	P-	P2,702,894,906
Short-term cash investments	-	-	105,873,559	-	-	-	105,873,559
Receivables	458,803,687	1,164,369,896	135,490,043	58,052,787	-	-	1,816,716,413
Debt reserve account	-	-	908,566,621	-	-	-	908,566,621
Retention receivable	-	-	15,455,481	-	-	-	15,455,481
Due from related parties and others	2,042,588,988	-	-	-	-	-	2,042,588,988
	<b>P5,204,287,581</b>	<b>P1,164,369,896</b>	<b>P1,165,385,704</b>	<b>P58,052,787</b>	<b>P-</b>	<b>P-</b>	<b>P7,592,095,968</b>

\* Excluding accrued interest, payable to government agencies, current portion of lease liabilities and advances from customers totaling to P533 million.

\*\* Including interest payable computed using prevailing rate as at December 31, 2020.

Maturing liabilities are expected to be settled using cash to be generated from operations and drawing from existing credit lines. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

### 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).

	2021		2020	
	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	(P205,872,095)	P205,872,095	(P246,687,316)	P246,687,316

There is no effect on equity other than those already affecting the consolidated statements of income.

### Equity Price Risk

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's consolidated equity. The reasonably possible change in equity price was based on the year-to-year change of stock market indices. The methods and assumptions used in the analysis remained unchanged over the reporting periods.



Equity price risk of those equity investments designated at FVOCI listed in the Philippine Stock Exchange and secondary or broker market (for golf club shares) is as follows:

	2021		2020	
	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	₱1,403,877	(₱1,403,877)	₱1,284,975	(₱1,284,975)

#### 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 ₱50.99 to US\$1.0 and ₱48.02 to US\$1.0 for December 31, 2021 and 2020, 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.

	2021		2020	
	In U.S. Dollar	In Philippine Peso	In U.S. Dollar	In Philippine Peso
Financial assets:				
Cash and cash equivalents	\$421,747	₱21,504,880	\$2,582,923	₱124,031,962
Trade and other receivables	2,022,679	103,136,402	2,018,266	96,917,133
	2,444,426	124,641,282	4,601,189	220,949,095
Financial liabilities -				
Trade payables	(20,703,295)	(1,055,661,012)	(7,323,311)	(351,665,394)
	(\$18,258,869)	(₱931,019,730)	(\$2,722,122)	(₱130,716,299)

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 data within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2021		2020	
	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	₱1,324,309	(₱1,324,309)	₱2,722,122	(₱2,722,122)

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 than 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 statements 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 2021, 2020 and 2019.

The Group monitors its capital based on debt-to-equity ratio as required by its loan's 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:

	2021	2020
Long-term debts	₱20,587,209,489	₱21,993,281,742
Total equity	12,008,281,501	11,676,355,065
Debt-to-equity ratio	1.71:1	1.88:1

b. Debt Service Coverage Ratio:

	2021	2020
Income before income tax	₱1,486,319,578	₱2,161,265,848
Add depreciation, amortization and interest expense	3,238,976,285	3,827,640,978
Add ending cash balance	2,864,190,106	2,702,894,906
Total cash available for debt service	7,589,485,969	8,691,801,732
Divided by aggregate principal and interest during the next period	3,266,685,474	3,127,364,700
	2.32:1	2.78:1

Sarangani

Sarangani's current ratio, debt-to-equity ratio and debt service coverage ratios calculated using Sarangani's stand-alone financial statements are as follows:

a. Current Ratio:

	2021	2020
Current assets	₱5,527,869,440	₱4,262,367,978
Current liabilities	5,512,902,428	3,854,707,349
Current ratio	1.00:1	1.11:1



b. Debt-to-equity Ratio:

	2021	2020
Current liabilities	₱5,512,902,428	₱3,854,707,349
Noncurrent liabilities	13,481,975,652	15,121,104,413
Total liabilities	18,994,878,080	18,975,811,762
Equity	12,509,110,953	12,280,983,311
Debt-to-equity ratio	1.52:1	1.55:1

c. Debt Service Coverage Ratio:

	2021	2020
Income before income tax	₱1,579,835,699	₱2,487,359,757
Add depreciation, amortization and interest expense	2,577,604,598	2,917,832,049
Total cash available for debt service	4,157,440,297	5,405,191,806
Divided by debt service	2,929,220,286	2,789,899,512
	1.42:1	1.94:1

## 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, 2021:

	Carrying value	Total	Fair Value		
			Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Measured at fair value -					
Equity investments designated as FVOCI	₱2,361,796,426	₱2,361,796,426	₱39,517,657	₱100,110,000	₱2,222,168,769
<b>Non-financial Assets</b>					
Fair value is disclosed -					
Investments in real estate	513,872,270	1,814,245,194	-	-	1,814,245,194
	₱2,875,668,696	₱4,176,041,620	₱39,517,657	₱100,110,000	₱4,036,413,963
<b>Financial Liabilities</b>					
Fair value is disclosed -					
Long-term debts	₱20,587,209,489	₱26,347,626,060	₱-	₱-	₱26,347,626,060

As at December 31, 2020:

	Carrying value	Total	Fair Value		
			Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Measured at fair value -					
Equity investments designated as FVOCI	₱2,345,100,444	₱2,345,100,444	₱34,821,675	₱88,110,000	₱2,222,168,769
<b>Non-financial Assets</b>					
Fair value is disclosed -					
Investments in real estate	305,115,108	1,889,488,032	-	-	1,889,488,032
	₱2,650,215,552	₱4,234,588,476	₱34,821,675	₱88,110,000	₱4,111,656,801
<b>Financial Liabilities</b>					
Fair value is disclosed -					
Long-term debts	₱21,993,281,742	₱29,864,485,277	₱-	₱-	₱29,864,485,277



During the years ended December 31, 2021 and 2020, 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, 2021 and 2020, the Group's investment in unquoted equity investments is measured at fair value using the adjusted net asset value approach as of December 31, 2021 and 2020, 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, 2021:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Price per square meter for real estate properties	₱22,484 - ₱77,000	+1% -1%	₱5 (5)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.28 times	+1% -1%	53 (53)
Discount for lack of control and marketability	10% - 15%	+5% -5%	(244) 259

As at December 31, 2020:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Price per square meter for real estate properties	₱27,320 - ₱70,370	+1% -1%	₱5 (5)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.43 times	+1% -1%	48 (48)
Discount for lack of control and marketability	10%	+5% -5%	(238) 251

*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.

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### 33. Significant Agreements and Commitments

a. PSAs and ASPA

Sarangani

Sarangani entered into PSAs with the following parties for a period of 25 years.

*Phase 1 of the Project*

<u>Contracting Party</u>	<u>Contracted Capacity (in Megawatts)</u>
SOCOTECO II	70
Iligan Light and Power Inc.	15
Agusan del Norte Electric Cooperative	10
Agusan del Sur Electric Cooperative	10
	<u>105</u>

*Phase 2 of the Project*

<u>Contracting Party</u>	<u>Contracted Capacity (in Megawatts)</u>
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
	<u>80</u>

Revenue amounted to ₱8,225 million in 2021, ₱7,012 million in 2020 and ₱5,411 million in 2019.

CHC and Subsidiaries

WMPC has existing PSAs with electric cooperatives and distribution utilities for a period of 10 years with contracted capacity of 51MW.

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.

In addition, WMPC has existing ASPA with National Grid Corporation of the Philippines (NGCP) which was provisionally approved by the ERC. On the other hand, MPC has existing PSA with electric cooperative with contracted capacity of 30MW.

Revenue amounted to ₱1,822 million in 2021, ₱1,572 million in 2020 and ₱1,592 million in 2019.



#### 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 24, 2022, the Company has not started the construction of the ZAM 100 power plant. The proposals for the EPC rebidding were submitted on August 30, 2018. The EPC contractors for the SRPI Project have been shortlisted based on the evaluation of the proposals submitted. The final execution of the EPC contract, however, is deferred owing to the travel restrictions brought about by the COVID-19 pandemic. The EPC Contractor personnel will travel to the Philippines once the restrictions are lifted for the implementation of the SRPI Project. The issuance of NTP is projected for the fourth quarter of 2022, corresponding to a COD in June 2025.

#### b. 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.

#### c. 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.

#### d. Engineering, Procurement and Construction Contract

##### 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. Construction of Phase 2 of the SM200 commenced in January 2017 and was completed in October 2019. Sarangani received revenue loss compensation amounting to ₱880 million in 2020 due to the delay in the completion of the project.

- e. 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 certain tax incentives.

- f. 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 Siguil entered into an International Consortium Agreement (the Consortium Agreement) in order to apply for the JCM grant with Ministry Environment of Japan (MEJ). On October 20, 2017, MEJ approved the grant in relation to the development and implementation of the 15 MW Hydro Power Plant Project in Siguil River in Mindanao.

Siguil together with ACR, AREC, Toyota Tsusho Corporation (TTC) entered into an International Consortium Agreement (the Consortium Agreement) to apply for the JCM grant with Ministry Environment of Japan (MEJ), which was approved by MEJ. The grant amounting to JPY732.25 million, was provided in relation to the development and implementation of the 15 MW Hydro Power Plant Project in Siguil River in Mindanao. The conditions attached to the grant include the delivery of 50% of the issued carbon dioxide credits corresponding to the carbon dioxide emission reduction achieved by the project. In the event of non-compliance, cancellation or termination of the project, Siguil is liable to return the undepreciated amount of the JCM grant to MEJ.



Consequently, the parties entered into a Memorandum of Agreement (MOA) to define its roles and responsibilities under in relation to the JCM grant. In 2021, Siguil received, through TTC, a portion of the grant amounting to JPY388.65 million (P169 million). This is treated as deferred credit and will be recognized as income over the expected useful life of the related asset.

### 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:

	2021	2020	2019
Financing activities:			
Conversion of advances to equity attributable to non-controlling interests	P1,879,463,700	P-	P-
Amortization of debt issue cost	71,395,747	95,120,551	73,486,107
Application of dividends to subscriptions receivable (Note 21)	(4,400,000)	(4,400,000)	(4,400,000)
Investing activities:			
Noncash additions to property, plant and equipment (reclassifications, unpaid portions, etc.)	(69,053,741)	(537,189,008)	(671,264,226)
Addition to right-of-use assets	(15,003,137)	-	-
Share in earnings of associates (Notes 11 and 27)	72,357,699	63,584,408	70,629,805
Unpaid dividend from an associate	-	-	2,000,000

- b. Reconciliation of the movement of liabilities arising from financing activities as at and for the years ended December 31, 2021 and 2020 are as follows:

	2021			
	Loans payable	Short-term notes payable	Long-term debts	Total
Beginning balance	P1,382,667,507	P892,790,136	P21,993,281,742	P24,268,739,385
Cash movements:				
Availment of additional debt	1,378,400,000	2,000,000,000	-	3,378,400,000
Settlement of debt	(1,190,532,477)	(949,686,073)	(1,477,468,000)	(3,617,686,550)
Noncash movements:				
Amortization of debt issue costs	-	-	71,395,747	71,395,747
Ending balance	P1,570,535,030	P1,943,104,063	P20,587,209,489	P24,100,848,582



2020				
	Loans payable	Short-term notes payable	Long-term debts	Total
Beginning balance	₱112,291,726	₱1,618,725,542	₱23,299,494,704	₱25,030,511,972
Cash movements:				
Availment of additional debt	1,507,316,612	2,394,000,000	6,000,000,000	9,901,316,612
Settlement of debt	(236,940,831)	(3,121,617,276)	(7,306,506,000)	(10,665,064,107)
Payment of debt issue costs	—	—	(94,827,513)	(94,827,513)
Noncash movements:				
Amortization of discount	—	1,681,870	—	1,681,870
Amortization of debt issue costs	—	—	95,120,551	95,120,551
Ending balance	₱1,382,667,507	₱892,790,136	₱21,993,281,742	₱24,268,739,385

- c. Reconciliation of the movement of interest payable and dividend payable arising from financing activities as at and for the years ended December 31, 2021 and 2020 are as follows:

2021		
	Interest payable	Dividend payable
Beginning balance	₱303,119,098	₱479,999,990
Cash movements:		
Payment	(1,660,106,861)	(740,829,990)
Noncash movements:		
Declaration	—	1,015,229,985
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense, excluding accretion on decommissioning liabilities and amortization of debt issue costs	1,631,982,910	—
Ending balance	₱274,995,147	₱749,999,985

2020		
	Interest payable	Dividend payable
Beginning balance	₱316,267,945	₱144,000,000
Cash movements:		
Payment	(2,010,047,427)	(660,830,010)
Noncash movements:		
Declaration	—	1,001,230,000
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense, excluding accretion on decommissioning liabilities and amortization of debt issue costs	1,996,898,580	—
Ending balance	₱303,119,098	₱479,999,990

### 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:

- The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
- Creation of a Wholesale Electricity Spot Market within one year; and



iii. Open and non-discriminatory access to transmission and distribution systems.

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

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

b. Clean Air Act

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries complied with the applicable provisions of the Clean Air Act and the related IRR as at December 31, 2021 and 2020.



## **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 its subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated March 24, 2022. 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 Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the 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

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-128-2019, November 27, 2019, valid until November 26, 2022

PTR No. 8853490, January 3, 2022, Makati City

March 24, 2022



## **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 its subsidiaries (the Group) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated March 24, 2022. 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 (PFRSs) 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 financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

*Manolito R. Elle*

Manolito R. Elle

Partner

CPA Certificate No. 106471

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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

November 11, 2019, valid until November 10, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-128-2019, November 27, 2019, valid until November 26, 2022

PTR No. 8853490, January 3, 2022, Makati City

March 24, 2022



**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**  
**SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR**  
**DIVIDEND DECLARATION\***  
**DECEMBER 31, 2021**

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Unappropriated retained earnings available for dividend declaration as at December 31, 2020	₱76,611,228
Add: Net income earned during the year	205,046,662
Less: Dividends declared during the year	(130,230,000)

**UNAPPROPRIATED RETAINED EARNINGS AVAILABLE**

**FOR DIVIDEND DECLARATION AS AT**

**DECEMBER 31, 2021**

**₱151,427,890**

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\*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.

**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**  
**INDEX TO SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2021**

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Supplementary schedules required by Revised Securities Regulation Code Rule 68:

Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex II: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex III: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock



FS FOR FILING WITH SEC

AFTER THE BIR HAS DULY  
STAMPED "RECEIVED."

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

5 9 3 6 6

## COMPANY NAME

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

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

A l s o n s B u i l d i n g , 2 2 8 6 C h i n o  
R o c e s A v e . , M a k a t i C i t y ,  
M e t r o M a n i l a , P h i l i p p i n e s

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N A

## COMPANY INFORMATION

Company's Email Address

legal@alcantaragroup.com

Company's Telephone Number

(02) 8982 - 3000

Mobile Number

09178581642

No. of Stockholders

453

Annual Meeting (Month / Day)

May 20

Fiscal Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

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

Name of Contact Person

Jose D. Saldivar, Jr.

Email Address

jsaldivar@alcantaragroup.com

Telephone Number/s

(02) 8982 - 3000

Mobile Number

N/A

## CONTACT PERSON'S ADDRESS

Alsons Building, 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines

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

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





**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 Parent Company financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, 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.

**NICASIO I. ALCANTARA**  
Chairman and President

**TIRSO G. SANTILLAN, JR.**  
Executive Vice-President

**ALEXANDER BENHUR M. SIMON**  
Vice President and  
Group Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 24 MAR 2022 of 2022 affiants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date and Place of Issue
Nicasio I. Alcantara	L02-62-016218	Valid Until 10-11-2022 /LTO
Tirso G. Santillan, Jr.	N17-72-000977	Valid Until 02-12-2023 /LTO QC
Alexander Benhur M. Simon	N15-83-033925	Valid Until 08-06-2024 /LTO

Doc No. 229  
Page No. 47  
Book No. 11  
Series of 2022



**ATTY. VILMA HILDA VILLANUEVA-FABELLA**  
NOTARY PUBLIC  
Until December 31, 2022  
IBP No. 196528/1-05-2022/PPLM  
PTR No. 2910162/1-07-2022/Paranaque  
Roll No. 41901  
Not. Com. No. 119-2021/1-04-2021



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Parent Company Financial Statements

#### Opinion

We have audited the parent company financial statements of Alsons Consolidated Resources, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2021 and 2020, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended 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 Parent Company Financial Statements* section of our report. We are independent of the Company 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 parent company 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.

#### Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, 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.

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



## Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Company'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 Company'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 parent company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.





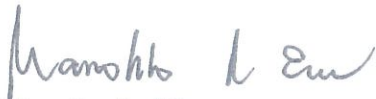
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 26 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Alsons Consolidated Resources, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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

November 11, 2019, valid until November 10, 2022

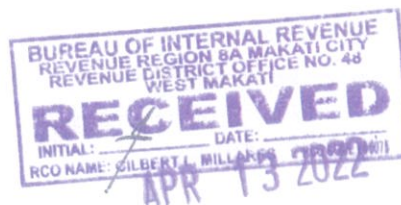
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-128-2019, November 27, 2019, valid until November 26, 2022

PTR No. 8853490, January 3, 2022, Makati City

March 24, 2022



**ALSONS CONSOLIDATED RESOURCES, INC.****PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 7)	₱311,075,943	₱210,316,787
Receivables (Notes 8 and 16)	5,121,143,269	5,900,680,787
Other current assets (Note 12)	295,536,560	285,440,413
<b>Total Current Assets</b>	<b>5,727,755,772</b>	<b>6,396,437,987</b>
<b>Noncurrent Assets</b>		
Investments in and advances to subsidiaries (Note 9)	6,720,066,511	4,746,854,011
Investments in associates (Note 10)	2,281,822,334	2,281,822,334
Equity investments measured at fair value through other comprehensive income (FVTOCI) [Note 11]	2,261,546,426	2,257,750,444
Other noncurrent assets (Note 12)	124,791,707	123,610,902
<b>Total Noncurrent Assets</b>	<b>11,388,226,978</b>	<b>9,410,037,691</b>
<b>TOTAL ASSETS</b>	<b>₱17,115,982,750</b>	<b>₱15,806,475,678</b>

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
Accrued expenses and other current liabilities (Note 13)	₱87,229,685	₱88,896,316
Short-term loans (Note 14)	1,570,535,030	1,382,667,507
Short-term commercial papers (Note 14)	1,943,104,063	892,790,136
Current portion of long-term debts (Note 15)	10,836,402	11,727,767
<b>Total Current Liabilities</b>	<b>3,611,705,180</b>	<b>2,376,081,726</b>
<b>Noncurrent Liabilities</b>		
Long-term debts (Note 15)	5,884,007,396	5,894,843,798
Retirement benefits payable (Note 18)	15,140,339	10,594,811
<b>Total Noncurrent Liabilities</b>	<b>5,899,147,735</b>	<b>5,905,438,609</b>
<b>Total Liabilities</b>	<b>9,510,852,915</b>	<b>8,281,520,335</b>
<b>Equity</b>		
Capital stock (Note 17)	6,344,483,333	6,340,083,333
Retained earnings (Note 17):		
Appropriated	1,100,000,000	1,100,000,000
Unappropriated	151,427,890	76,611,228
Equity reserves (Notes 11 and 17)	9,218,612	8,260,782
<b>Total Equity</b>	<b>7,605,129,835</b>	<b>7,524,955,343</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱17,115,982,750</b>	<b>₱15,806,475,678</b>

See accompanying Notes to Parent Company Financial Statements.



APR 13 2022





**ALSONS CONSOLIDATED RESOURCES, INC.**  
**PARENT COMPANY STATEMENTS OF INCOME**

	Years Ended December 31	
	2021	2020
<b>DIVIDEND INCOME</b> (Notes 9, 10, and 16)	<b>₱597,400,015</b>	<b>₱705,200,018</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Taxes and licenses	25,724,528	9,691,059
Shared administrative expenses	19,850,973	14,845,971
Salaries, wages and employee benefits (Note 18)	18,063,111	14,293,354
Outside services	5,864,456	4,679,067
Rent, light and water (Note 23)	3,798,046	2,201,012
Directors/executive fees and bonuses	3,300,000	2,955,000
Trust fee	1,500,000	1,538,333
Office supplies	939,172	422,203
Depreciation (Note 12)	582,739	498,940
Transportation and travel	522,552	914,927
Representation and entertainment expenses	126,464	245,452
Other administrative expenses	1,838,770	1,551,536
	<b>82,110,811</b>	<b>53,836,854</b>
<b>FINANCE INCOME (CHARGES)</b>		
Finance charges (Notes 14, 15 and 19)	(330,303,903)	(534,273,859)
Interest income (Notes 7, 12 and 16)	4,546,671	11,545,475
	<b>(325,757,232)</b>	<b>(522,728,384)</b>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gain (loss) - net	15,514,690	(13,641,442)
<b>INCOME BEFORE INCOME TAX</b>	<b>205,046,662</b>	<b>114,993,338</b>
<b>BENEFIT FROM INCOME TAX</b> (Note 20)	<b>—</b>	<b>—</b>
<b>NET INCOME</b>	<b>₱205,046,662</b>	<b>₱114,993,338</b>

*See accompanying Notes to Parent Company Financial Statements.*



APR 13 2022



**ALSONS CONSOLIDATED RESOURCES, INC.**  
**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2021	2020
<b>NET INCOME</b>	<b>₱205,046,662</b>	<b>₱114,993,338</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Unrealized gain (loss) on fair valuation of equity investments (Note 11)	3,795,982	(5,565,778)
Remeasurement gain (loss) on defined benefit plan (Note 18)	(2,838,152)	1,992,560
Total other comprehensive gain (loss)	957,830	(3,573,218)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱206,004,492</b>	<b>₱111,420,120</b>

*See accompanying Notes to Parent Company Financial Statements.*





# ALSONS CONSOLIDATED RESOURCES, INC.

## PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Equity Reserves (Notes 11, 17 and 18)						
	Capital Stock (Note 17)	Retained Earnings (Note 17)		Unrealized Gain on Equity Investments Designated at FVTOCI	Remeasurement Gains (Losses) on Defined Benefit Plan	Other Equity Reserves	Total
		Appropriated	Unappropriated				
<b>BALANCES AS AT JANUARY 1, 2020</b>	<b>₱6,335,683,333</b>	<b>₱1,100,000,000</b>	<b>₱91,847,890</b>	<b>₱25,437,350</b>	<b>₱446,290</b>	<b>(₱14,049,640)</b>	<b>₱7,539,365,223</b>
Net income	-	-	114,993,338	-	-	-	114,993,338
Other comprehensive income (loss)	-	-	-	(5,565,778)	1,992,560	-	(3,573,218)
Total comprehensive income (loss)	-	-	114,993,338	(5,565,778)	1,992,560	-	111,420,120
Cash dividends declared	-	-	(130,230,000)	-	-	-	(130,230,000)
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	4,400,000
<b>BALANCES AS AT DECEMBER 31, 2020</b>	<b>6,340,083,333</b>	<b>1,100,000,000</b>	<b>76,611,228</b>	<b>19,871,572</b>	<b>2,438,850</b>	<b>(14,049,640)</b>	<b>7,524,955,343</b>
Net income	-	-	205,046,662	-	-	-	205,046,662
Other comprehensive income (loss)	-	-	-	3,795,982	(2,838,152)	-	957,830
Total comprehensive income (loss)	-	-	205,046,662	3,795,982	(2,838,152)	-	206,004,492
Cash dividends declared	-	-	(130,230,000)	-	-	-	(130,230,000)
Collection of subscriptions receivable	4,400,000	-	-	-	-	-	4,400,000
<b>BALANCES AS AT DECEMBER 31, 2021</b>	<b>₱6,344,483,333</b>	<b>₱1,100,000,000</b>	<b>₱151,427,890</b>	<b>₱23,667,554</b>	<b>(₱399,302)</b>	<b>(₱14,049,640)</b>	<b>₱7,605,129,835</b>

See accompanying Notes to Parent Company Financial Statements.



APR 13 2022



**ALSONS CONSOLIDATED RESOURCES, INC.**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱205,046,662	₱114,993,338
Adjustments for:		
Dividend income (Note 16)	(597,400,015)	(705,200,018)
Finance charges (Notes 14, 15 and 19)	330,303,903	534,273,859
Unrealized foreign exchange (gain) loss - net	(14,920,451)	12,403,437
Interest income (Notes 7, 12 and 16)	(4,546,671)	(11,545,475)
Retirement benefits cost (Note 18)	1,707,376	2,251,468
Depreciation (Note 12)	582,739	498,940
Operating loss before working capital changes	(79,226,457)	(52,324,451)
Decrease (increase) in:		
Receivables	(1,043,637,686)	(1,458,285,108)
Other current assets	(3,535,132)	53,943,513
Increase (decrease) in accrued expenses and other current liabilities	(1,541,029)	5,039,183
Cash used in operating activities	(1,127,940,304)	(1,451,626,863)
Interest received	4,509,380	11,545,475
Net cash used in operating activities	(1,123,430,924)	(1,440,081,388)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	447,400,010	405,200,008
Proceeds from (additions to):		
Short-term investments	—	3,506,200
Property and equipment (Note 12)	(326,322)	(325,942)
Increase in other noncurrent assets	(1,437,221)	(1,251,225)
Net cash from investing activities	445,636,467	407,129,041
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Issuance of commercial papers (Notes 14 and 25)	2,000,000,000	1,694,000,000
Availment of short-term loans (Notes 14 and 25)	1,378,400,000	1,507,316,612
Availment of long-term debts (Note 15 and 25)	—	6,000,000,000
Payments of:		
Short-term loans (Notes 14 and 25)	(1,190,532,477)	(186,940,831)
Short-term commercial papers (Notes 14 and 25)	(949,686,073)	(1,776,617,276)
Interests (Note 25)	(312,157,273)	(501,113,788)
Dividends (Notes 17 and 25)	(125,830,000)	(125,506,377)
Long-term debts (Notes 15 and 25)	(30,000,000)	(6,024,000,000)
Transaction costs (Note 15)	—	(94,827,513)
Net cash from financing activities	770,194,177	492,310,827
<b>NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	8,359,435	(10,151,110)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	100,759,156	(550,792,630)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	210,316,787	761,109,417
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)</b>	₱311,075,943	₱210,316,787

See accompanying Notes to Parent Company Financial Statements.





# ALSONS CONSOLIDATED RESOURCES, INC.

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

### 1. General Information

#### Corporate Information

Alsons Consolidated Resources, Inc. (ACR or the "Company") is a stock corporation organized in the Philippines on December 24, 1974 as Victoria Gold Mining Corporation and was registered with the Philippine Securities and Exchange Commission (SEC) 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. The Company's primary business purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose.

The Company's ultimate parent is Alsons Corporation (AC), a company incorporated and registered in the Philippines.

The registered office address of the Company is Alsons Building, 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines.

#### Authorization for Issuance of the Parent Company Financial Statements

The parent company financial statements were authorized for issuance by the Board of Directors (BOD) on March 24, 2022.

### 2. Basis of Preparation and Statement of Compliance

#### Basis of Preparation

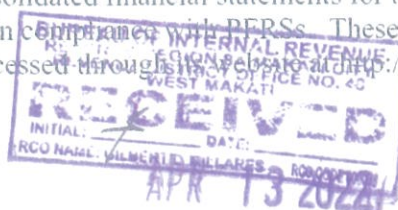
The parent company financial statements have been prepared on a historical cost basis, except for equity investments at fair value through other comprehensive income (FVTOCI) which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso, except as otherwise indicated.

The accompanying parent financial statements have been prepared under the going concern assumption. The Company believes that its businesses would remain relevant despite challenges posed by the COVID-19 pandemic. Despite the adverse impact of the COVID-19 pandemic on short-term business results, long-term prospects remain attractive.

#### Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

The Company also prepares, and issues consolidated financial statements for the same financial year as the parent company financial statements in compliance with PFRSs. These may be obtained at the Company's registered office address and accessed through [www.acr.com.ph](http://www.acr.com.ph).



### 3. Changes in Accounting Policies and Disclosures

#### New Standards Effective Starting January 1, 2021

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Adoption of these pronouncements did not have an impact on the parent company financial statements of the Company.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

#### Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact in the Company's financial statements.

#### *Effective beginning on or after January 1, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

#### *Effective beginning on or after January 1, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

#### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *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 Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2021. Additional disclosures required by these new and amended accounting standards and interpretations will be included in the parent company financial statements when they are adopted.



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#### 4. Summary of Significant Accounting Policies

##### Current versus Noncurrent Classification

The Company presents assets and liabilities in the parent company statement 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 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 Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities and retirement benefits payable are classified as noncurrent assets and liabilities.

##### Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Company.

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 Company 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 parent company 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 parent company financial statements on a recurring basis, the Company 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 Company determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Company 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 includes 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 acquisition and that are subject to an insignificant risk of changes in value.

#### Short-term Investments

Short-term 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 changes in value.

#### Financial Instruments

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

#### Financial Assets

##### *Initial recognition and measurement*

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

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

The Company'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 FVTOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity investments)
- Financial assets at FVTPL

The Company's financial instruments include financial assets at amortized cost and financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition.

*Financial assets at amortized cost*

This category is the most relevant to the Company. The Company 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 parent company statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and cash equivalents, short-term investments, receivables, and debt reserve account.

*Financial assets designated at FVTOCI (equity investments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity investments designated at FVTOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation and Disclosure*, 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 parent company statement of income. Dividends are recognized as other income in the parent company statement of income when the right of payment has been established, except when the Company 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 FVTOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity investments under this category.

*Impairment of financial assets*

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). 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, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company 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.

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

For cash and cash equivalents and short-term cash investments, the Company 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 Company'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 Company 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).

### Financial Liabilities

#### *Initial Recognition and measurement*

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

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

The Company's financial liabilities include accrued expenses and other current liabilities, due to related parties, short-term loans, short-term commercial papers and long-term debts.

#### *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 parent company statement of income 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 fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in parent company statement of 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 Company's right to receive cash flows from the asset has expired;
- the Company 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 Company 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 Company 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 Company'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 Company 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 parent company statement of income.

#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company 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 Company and all of the counterparties.

#### Investments in Subsidiaries

The Company's investments in subsidiaries are accounted for in the parent company financial statements at cost less any impairment in value. A subsidiary is an entity that is controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. Distributions from accumulated profits of the investee are recognized as dividend income from the investments.

#### Investments in Associates

Investments in associates are accounted for in the parent company financial statements at cost less any impairment in value. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.



### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable cost of bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to the parent company statement of income in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When each major repairs and maintenance is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major repairs and maintenance is capitalized and amortized over a period until the next major repairs and maintenance activity.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Office furniture, fixtures and equipment	1-3
Transportation equipment	5
Leasehold improvements	5 or the term of the lease, whichever is shorter

The useful lives and methods of depreciation are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. The residual value, if any, is also reviewed and adjusted if appropriate, at the end of each reporting date.

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 in accordance with PFRS 5 and the date the asset is derecognized.

The asset's residual value, useful lives and methods of depreciation and amortization are reviewed at each financial year-end, and adjusted prospectively if appropriate. Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

An item of property 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 asset (difference between the net disposal proceeds and carrying amount of the asset) is included in the parent company statement of income in the year the asset is derecognized.

### Impairment of Nonfinancial Assets

The Company assesses at the end of 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 Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost to sell and 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 group 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 pre-tax discount rate that reflects current market assessments 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 transactions 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 parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of 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 Company 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. The reversal is limited so that the carrying amount of the asset does not increase its recoverable amount, nor exceed the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The Company determines whether it is necessary to recognize additional impairment loss on the Company's investments in shares of stock of subsidiaries and associates. The Company determines at the end of each reporting date whether there is any objective evidence that the investments are impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of the investment and the acquisition cost (adjusted for post-acquisition changes in the Company's share of the financial performance of the associates) and recognizes the amount in the parent company statement of income.

#### Redeemable Preferred Shares

In determining whether a preferred share is a financial liability or an equity investment, the Company 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 Company for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the Company 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 Company's discretion and the price of redemption is to be decided by the BOD.

#### Capital Stock

Capital stock is measured at par value for all shares subscribed and/or issued. Subscribed capital stock is the portion of the authorized capital stock that has been subscribed but not yet fully paid and therefore still unissued. The subscribed capital stock is reported net of subscriptions receivable.

Incremental costs incurred directly attributable to the issuance of new stocks 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.

#### Equity Reserves

Equity reserves comprise items of income and expense that are not recognized in the parent company statement of income for the year in accordance with PFRSs. Equity reserves include unrealized gain on financial assets measured at FVTOCI, remeasurement gains (losses) on defined benefit plan and other restructuring transactions.



#### Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distributions, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Appropriated retained earnings represent that portion which has been restricted, and therefore, not available for dividend declaration. Unappropriated retained earnings represent that portion which can be declared as dividends to stockholders.

#### Dividend Income

Dividend income is recognized when the shareholders' right to receive payment has been established.

#### Interest Income

Interest income is recognized as the interest accrues based on the EIR.

#### General and Administrative Expenses

General and administrative expenses are recognized when incurred. These are recognized in the parent company 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. Expenses are recognized in the parent company 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 parent company statement of financial position as an asset.

#### Retirement Benefits Cost

The Company has an unfunded, noncontributory defined benefit retirement plan covering substantially all of its qualified employees. The obligation and costs of retirement benefits are actuarially computed by professionally qualified independent actuary using the projected unit credit method. Actuarial valuations are made with sufficient regularity that the amounts recognized in the parent company financial statements do not differ materially from the amounts that would be determined at the end of each reporting date.

Defined benefit costs comprise the following:

- service cost;
- interest on the defined benefit liability; and
- remeasurements of defined benefit liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs.

Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the defined benefit liability. Interest on the defined benefit liability is recognized as part of retirement cost in the parent company statement of income.

Remeasurements comprising actuarial gains and losses 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 defined benefit liability is the present value of the defined benefit obligation at the end of the reporting period.

#### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *The Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets.* It is the Company's policy to classify right-of-use assets as part of property, plant and equipment. The Company 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 measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The 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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying leased assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

*Lease liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



#### *Short-term leases*

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and parking slots (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

#### *The Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

#### Foreign Currency-denominated Transactions and Translations

Transactions denominated in foreign currency are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at the end of each reporting date.

Nonmonetary items denominated in foreign currency are translated using the exchange rates as of the date of initial transaction. All differences are taken to the parent company statement of income.

#### 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 taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

##### *Deferred income tax*

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income 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 the end of each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax assets to be recovered.

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

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 same taxation 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 parent company statements 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 parent company statements of financial position to the extent of the recoverable amount.

#### Provisions

Provisions are recognized when the Company 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. 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.

#### Contingencies

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

#### Segment Reporting

For management purposes, the Company is organized and managed under a single business segment which is the basis upon which the Company reports its segment information. The Company's investment holding segment is principally the management of investments in subsidiaries and associates. Financial information on operating segments is presented in Note 6 to the parent company financial statements.

#### Events After the End of Reporting Period

Post year end events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the parent company financial statements. Post year end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

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### **5. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the parent company financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as at reporting date. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the parent company financial statements as they become reasonably determinable.



### Judgments

In the process of applying the Company'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 parent company financial statements:

#### *Classification of financial instruments*

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation and when the Company is required to settle its obligation under conditions that are potentially unfavorable to the Company and will require delivery of variable number of the Company's own equity shares, the obligation meets the definition of a financial liability.

The Company continually assesses the classification of the redeemable preferred shares. If the redeemable preferred shares ceases to have all the features or meet all the conditions set out to be classified as equity, the Company will reclassify it as a financial liability and measure it at fair value at the date of reclassifications, with any differences from the carrying amount recognized in equity. The Company assessed that its preferred shares met all the features or conditions set out to be classified as equity.

#### *Assessments of provisions and contingencies*

The Company is involved in certain legal proceedings as discussed in Note 24. The estimate of the probable costs for the assessment and resolution of these possible claims have been developed in consultation with legal counsel handling the defense in these matters and is based upon thorough analysis of potential results. As at December 31, 2021 and 2020, there are no provisions for probable losses arising from contingencies recognized in the parent company financial statements as management believes that the resolution will not materially affect the Company's financial position and financial performance.

### Estimates and Assumptions

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

#### *Impairment losses on financial assets*

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the Company's parent company statements of income.

Under PFRS 9, additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Company's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;





- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on probability of default, exposure at default and loss given default; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

No provision for impairment loss was recognized in 2021 and 2020. The carrying values of the Company's financial assets at amortized cost as at December 31, 2021 and 2020 are as follows:

	2021	2020
Cash and cash equivalents* (Note 7)	<b>₱311,067,817</b>	₱210,306,787
Receivables** (Notes 8 and 16)	<b>5,121,100,569</b>	5,900,618,365
Debt reserve account (Notes 12 and 15)	<b>175,017,309</b>	172,610,850
Short-term investments (Note 12)	<b>112,434,574</b>	105,873,559

\*Excluding cash on hand amounting to ₱0.01 million as at December 31, 2021 and 2020.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to ₱0.04 million and ₱0.06 million as at December 31, 2021 and 2020, respectively.

#### *Determination of fair value of unquoted equity investment*

The Company determines the fair value of unquoted equity investments using acceptable valuation technique. The Company's investment in unquoted equity investments is measured at fair value using the adjusted NAV method as of December 31, 2021 and 2020. Under this method, the fair value is derived by determining the fair values of identifiable assets and liabilities of the investee company. The carrying value of the unquoted equity investment amounted to ₱2,221.3 million as of December 31, 2021 and 2020 (see Notes 11 and 21).

#### *Determination of impairment of investments in and advances to subsidiaries and investment in associates*

Internal and external sources of information are reviewed at each reporting date to identify indications that the Company's investments in subsidiaries and associates may be impaired. The factors that the Company considers important which could trigger an impairment review include deterioration in the financial health of the investees relative to expected historical or projected future operating results, industry and sector performance, and operational and financing cash flows. The following factors are also considered in determining whether there is any indication that the investment in subsidiaries and associates may be impaired:

- the dividends exceed the total comprehensive income of the subsidiary or associate in the period the dividend is declared; or
- the carrying amount of the investment in the parent company financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets, including associated goodwill.

If any such indication exists, the recoverable amount of the asset is estimated. The estimation of the recoverable value of these assets requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of these assets. While management believes that the assumptions made are appropriate and reasonable, future events could cause management to conclude that these assets are impaired or that additional impairment losses may need to be recognized. Any resulting additional impairment loss could have a material adverse impact on the Company's financial condition and financial performance.



The total carrying values of investments in and advances to subsidiaries and investments in associates (net of accumulated impairment losses amounting to ₱1,851.6 million) as at December 31, 2021 and 2020 amounted to ₱9,001.9 million and ₱7,028.7 million as of December 31, 2021 and 2020, respectively (see Notes 9 and 10).

*Estimation of retirement benefits costs and obligation*

The determination of the obligation and cost for retirement benefit 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 rate of future increase in compensation are described in Note 18. While the Company 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 and other retirement benefits obligations.

As at December 31, 2021 and 2020, retirement benefits payable amounted to ₱15.1 million and ₱10.6 million, respectively. Retirement benefits cost amounted to ₱1.7 million and ₱2.3 million in 2021 and 2020, respectively (see Note 18).

*Estimation of deferred income tax assets*

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable income will be available against which the deferred income tax assets can be utilized. Significant management judgment is required to determine the amount of income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. Management believes that future taxable income will not be sufficient to allow part of income tax assets to be utilized. Unrecognized NOLCO, excess MCIT and deductible temporary differences as at December 31, 2021 and 2020 are disclosed in Note 20.

## 6. Segment Information

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

Information with regard to the Company's significant business segments are shown below.

As at December 31, 2021:

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Parent Company Financial Statements
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
Revenues						
External customer	₱10,092,494	₱10,794	₱-	₱10,103,288	(₱10,103,288)	₱-
Inter-segment	-	193	628,212	628,405	(628,405)	-
Total revenues	10,092,494	10,987	628,212	10,731,693	(10,731,693)	-
Interest and dividend income	9,681	2,234	4,558	16,473	585,474	601,947
Finance charges	1,386,640	-	330,304	1,716,944	(1,386,640)	330,304
Provision for income tax	248,813	(23,423)	2,101	227,491	(227,491)	-
Net income (loss)	1,640,283	(6,967)	215,933	1,849,249	(1,644,202)	205,047
<b>Other Information</b>						
Investments in associates and due from related parties	474,020	1,051,266	14,116,559	15,641,845	(8,959,410)	6,682,435
Segment assets	38,476,104	2,554,264	17,154,447	58,184,815	(41,068,832)	17,115,983
Segment liabilities	23,046,955	842,821	9,644,506	33,534,282	(24,023,429)	9,510,853
Depreciation and amortization	1,474,961	496	2,038	1,477,495	(1,476,912)	583



	Power and Energy	Property Development	Other Investments	Total	Eliminations	Parent Company Financial Statements
<i>(Amounts in Thousands)</i>						
<b>Cash Flow Information</b>						
Net cash flows from (used in):						
Operating activities	₱4,230,416	(₱22,670)	(₱1,109,507)	₱3,098,239	(₱4,221,670)	(₱1,123,431)
Investing activities	(774,325)	(116,345)	443,763	(446,907)	892,543	445,636
Financing activities	(3,272,721)	25	770,194	(2,502,502)	3,272,696	770,194

As at December 31, 2020:

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Parent Company Financial Statements
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
Revenues						
External customer	₱9,509,894	₱9,700	₱-	₱9,519,594	(₱9,519,594)	₱-
Inter-segment	-	1,161	733,929	735,090	(735,090)	-
Total revenues	9,509,894	10,861	733,929	10,254,684	(10,254,684)	-
Interest and dividend income	30,166	707	11,561	42,434	674,311	716,745
Finance charges	1,550,847	-	534,274	2,085,121	(1,550,847)	534,274
Provision for income tax	293,424	-	3,177	296,601	(296,601)	-
Net income (loss)	2,475,054	(21,366)	122,387	2,576,075	(2,461,082)	114,993
<b>Other Information</b>						
Investments in associates and due from related parties	420,344	902,040	7,876,006	9,198,390	(1,586,431)	7,611,959
Segment assets	37,689,926	2,404,891	15,837,636	55,932,453	(40,125,977)	15,806,476
Segment liabilities	26,337,574	699,832	8,421,939	35,459,345	(27,177,825)	8,281,520
Depreciation and amortization	1,669,929	670	1,916	1,672,515	(1,672,016)	499
<b>Cash Flow Information</b>						
Net cash flows from (used in):						
Operating activities	5,373,879	289,104	(1,033,515)	4,629,468	(6,069,549)	(1,440,081)
Investing activities	(1,773,497)	(95,184)	2,767	(1,865,914)	2,273,043	407,129
Financing activities	(3,365,175)	(1,175)	497,855	(2,868,495)	3,360,806	492,311

## 7. Cash and Cash Equivalents

	2021	2020
Cash on hand	₱8,126	₱10,000
Cash in banks	153,007,914	51,465,044
Cash equivalents	158,059,903	158,841,743
	<b>₱311,075,943</b>	<b>₱210,316,787</b>

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 Company, and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents recognized in the parent company statements of income amounted to ₱2.4 million and ₱7.3 million in 2021 and 2020, respectively.

## 8. Receivables

	2021	2020
Due from related parties (Note 16)	₱4,400,613,141	₱5,330,136,743
Dividend receivable	714,000,015	564,000,010
Interest receivable	2,260,058	2,222,767
Others	4,270,055	4,321,267
	<b>₱5,121,143,269</b>	<b>₱5,900,680,787</b>



Other receivables consist primarily of noninterest-bearing advances to officers and employees and various advances to third parties which are due and demandable.

## 9. Investments in and Advances to Subsidiaries

Details of the Company's investments in and advances to subsidiaries are shown below:

	2021	2020
Acquisition costs		
Balances at beginning of year	<b>₱6,406,660,085</b>	₱6,406,660,085
Conversion of advances (Note 16)	<b>1,973,212,500</b>	—
Balances at end of year	<b>8,379,872,585</b>	6,406,660,085
Less accumulated impairment losses		
Balances at beginning and end of year	<b>1,704,554,256</b>	1,704,554,256
Investments in subsidiaries	<b>6,675,318,329</b>	4,702,105,829
Advances to subsidiaries (Note 16)	<b>44,748,182</b>	44,748,182
	<b>₱6,720,066,511</b>	₱4,746,854,011

Investments in subsidiaries consist of:

	Acquisition Cost	2021 Allowance for Impairment	Total	2020	Percentage of Ownership			
					2021	2020	Direct	Indirect
<b>Subsidiaries</b>								
ATEC:	<b>₱3,413,579,092</b>	<b>₱—</b>	<b>₱3,413,579,092</b>	<b>₱1,534,116,592</b>	<b>50.00*</b>	—	<b>50.00*</b>	—
Sarangani Energy Corporation (Sarangani)	—	—	—	—	—	37.50	—	37.50
ACES Technical Services Corporation (ACES)	—	—	—	—	—	50.00	—	50.00
San Ramon Power Inc. (SRPI)	—	—	—	—	—	50.00	—	50.00
Conal Holdings Corporation (CHC):	<b>956,448,735</b>	—	<b>956,448,735</b>	<b>956,448,735</b>	<b>100.00</b>	—	<b>100.00</b>	—
Alsing Power Holdings, Inc. (APHI):	<b>22,145,853</b>	—	<b>22,145,853</b>	<b>22,145,853</b>	<b>20.00</b>	<b>80.00</b>	<b>20.00</b>	<b>80.00</b>
Western Mindanao Power Corporation (WMPC)	—	—	—	—	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	—	—	—	—	—	55.00	—	55.00
Alto Power Management Corporation (APMC):	—	—	—	—	—	60.00	—	60.00
APMC International Ltd. (AIL)	—	—	—	—	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	—	—	—	—	—	100.00	—	100.00
Alsons Renewable Energy Corporation (AREC):	<b>125,000,000</b>	—	<b>125,000,000</b>	<b>31,250,000</b>	<b>80.00</b>	—	<b>80.00</b>	—
Siguil Hydro Power Corporation (Siguil)	—	—	—	—	—	80.00	—	80.00
Kalaong Hydro Power Corporation (Kalaong)	—	—	—	—	—	80.00	—	80.00
Bago Hydro Resources Corp. (Bago)	—	—	—	—	—	80.00	—	80.00
Sindangan Zambo-River Corp. (Sindangan)	—	—	—	—	—	80.00	—	80.00
Alsons Power International Limited	<b>2,637,400</b>	—	<b>2,637,400</b>	<b>2,637,400</b>	<b>100.00</b>	—	<b>100.00</b>	—
Alsons Land Corporation (ALC)	<b>3,674,087,900</b>	<b>(1,521,080,651)</b>	<b>2,153,007,249</b>	<b>2,153,007,249</b>	<b>99.55</b>	—	<b>99.55</b>	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	<b>1,250,000</b>	—	<b>1,250,000</b>	<b>1,250,000</b>	<b>100.00</b>	—	<b>100.00</b>	—
MADE (Market Developers), Inc.	<b>183,473,605</b>	<b>(183,473,605)</b>	—	—	<b>80.44</b>	—	<b>80.44</b>	—
Alsons Power Supply Corporation (APSC)	<b>1,250,000</b>	—	<b>1,250,000</b>	<b>1,250,000</b>	<b>100.00</b>	—	<b>100.00</b>	—
	<b>₱8,379,872,585</b>	<b>(₱1,704,554,256)</b>	<b>₱6,675,318,329</b>	<b>₱4,702,105,829</b>				

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



Advances to subsidiaries represent advances to finance the subsidiaries' on-going project development. These advances are intended for equity conversion in future period. As at December 31, 2021 and 2020, outstanding advances to subsidiaries amounted to ₱44.7 million.

The Company received cash dividends from its subsidiaries. These dividends were recorded as part of "Dividend income" account in the parent company statements of income.

	2021	2020
ATEC	₱450,000,015	₱540,000,018
CHC	89,800,000	132,000,000
APHI	32,700,000	—
Total	₱572,500,015	₱672,000,018

#### Power and Energy

##### *ATEC and Subsidiaries*

*ATEC.* On November 23, 2015, the Company 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 ₱1.2 million.

On April 20, 2016, the Company subscribed to ATEC's proposed increase in authorized capital stock to the amount of ₱2,989,286,000 worth of shares of stocks. The subscription was paid by way of the Company's investment in Sarangani and cash amounting to ₱14.0 million. Accordingly, SEC became a subsidiary of ATEC.

On October 13, 2016, the Company and ATEC executed an assignment of share agreement wherein the Company assigned and transferred its ownership interests in ACES amounting to ₱6.0 million to ATEC for a total consideration of ₱19.5 million. Accordingly, ACES became a wholly owned subsidiary of ATEC.

On May 24, 2017, the Company and ATEC executed an assignment of share agreement wherein the Company 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, the Company and ATEC executed a deed of assignment of advances wherein the Company assigned to ATEC its advances to SRPI totaling to ₱231.0 million.

On November 27, 2017, the 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 GBPC for a total consideration amounting to ₱2,377.9 million, inclusive of retention receivable to be received upon issuance by the Bureau of Internal Revenue of the Certificate Authorizing Registration (see Notes 8 and 25). The Company recognized a gain amounting to ₱709.1 million, net of transaction costs totaling to ₱173.5 million in 2017. Subsequently, on December 1, 2017, the Company, GBPC and ATEC executed a deed of assignment of advances wherein the Company assigned and transferred to GBPC its right to collect 50% of its advances to ATEC amounting to ₱1,879.5 million. 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.

On June 1, 2021, ACR subscribed to additional common shares of ATEC amounting to ₱1,879.5 million, which was settled through conversion of advances (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, the Company acquired full control of Sarangani through an agreement with CHC, wherein CHC assigned all its shares to the Company.

On December 10, 2012, the Company entered into a shareholders agreement with Toyota Tsusho Corporation (TTC), a company incorporated in Japan, wherein TTC subscribed and paid ₱355.0 million worth of Sarangani shares representing 25% of the total equity of Sarangani. In accordance with the shareholders agreement, the Company 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 was done 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. On October 10, 2019, Phase 2 started its commercial operations.

*SRPI.* The Company organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. SRPI has obtained its Environmental Compliance Certificate (ECC) on March 20, 2012 for the planned 105 MW coal fired power plant to be located in Zamboanga Ecozone. The proposals for the Engineering, Procurement and Construction (EPC) rebidding were submitted on August 30, 2018. The EPC contractors for the SRPI Project have been shortlisted based on the evaluation of the proposals submitted. The final execution of the EPC contract, however, is deferred owing to the travel restrictions brought about by the COVID-19 pandemic. The EPC Contractor personnel will travel to the Philippines for the implementation of the SRPI Project once the restrictions are lifted. The issuance of NTP is projected for the fourth quarter of 2022, corresponding to a Commercial Operations Date (COD) in June 2025.

As at March 24, 2022, SRPI has not yet started the construction of the power plant.

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

#### *CHC and Subsidiaries*

*CHC and APHI.* On January 20, 2012, the respective BOD of CHC and APHI approved the redemption schedule of portions of the redeemable preferred shares. In February 2012, APHI redeemed 2,166,097 redeemable preferred shares for a redemption price of \$7.90 per share. In June 2012, CHC redeemed 3,311,901 redeemable preferred shares for a redemption price of \$8.94 per share. No gain or loss was recognized by the Company since the redemption is a return of capital only and CHC and APHI will continue to operate. Ownership entitlements and rights to CHC and APHI remains the same. On February 28, 2013, CHC redeemed additional 141,213 redeemable preferred shares for a redemption price of \$8.94 per share. Furthermore, on June 11, 2013, CHC and APHI redeemed additional 178,462 and 252,550 redeemable preferred shares for a redemption price of \$8.94 and \$7.90 per share, respectively.

On July 2, 2013, the Company and EGCO International (B.U.I.) Limited (EGCO) entered into a Share Purchase Agreement (SPA) to acquire 40% interest in voting shares of CHC, increasing the Company's ownership in CHC to 100%. The cash consideration paid on August 1, 2013 amounted to ₱527.9 million (US\$12.16 million).

As at December 31, 2021 and 2020, the carrying value of the Company's investment in CHC and APHI amounted to ₱978.6 million.



*MPC.* CHC organized and incorporated MPC on July 13, 2010 as wholly owned subsidiary to rehabilitate and operate the 102 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. On August 1, 2013, ACR transferred MPC to CHC for a total consideration of ₱0.3 million.

*SPPC and WMPC.* SPPC and WMPC operate coal-fired power plants with capacity of 55MW and 100MW, respectively. WMPC has existing power sales agreement with a district utility entity and ancillary sales and procurement agreement with NGCP. On the other hand, SPPC is currently in discussion with third parties regarding the use of its diesel capacity.

#### *AREC and Subsidiaries*

*AREC.* On September 18, 2014, the Company organized AREC primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources with total capital infusion amounting to ₱31.3 million.

On July 10, 2015, the Company and AREC executed an assignment of share agreement wherein the Company assigned and transferred its ownership interests in Siguil and Kalaong to AREC. Accordingly, Siguil and Kalaong became subsidiaries of AREC. Also, the Company sold its 20% interest to ACIL, Inc., an entity under common control. Accordingly, the Company's interest in AREC was reduced from 100% in 2014 to 80% in 2015.

*Siguil and Kalaong.* The Company organized and incorporated Siguil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 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. On July 1, 2019, Siguil has commenced its construction and expected to complete in March 2022. As at March 24, 2022, Siguil 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 24, 2022, Bago and Sindangan have not yet started commercial operations.

#### Property Development

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

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



#### Other Investments

**MADE.** MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at March 24, 2022, MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

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

#### **10. Investments in Associates**

	2021	2020
Acquisition costs at beginning and end of year	<b>₱2,428,867,334</b>	<b>₱2,428,867,334</b>
Accumulated impairment losses at beginning and end of year	<b>147,045,000</b>	<b>147,045,000</b>
	<b>₱2,281,822,334</b>	<b>₱2,281,822,334</b>

Investments in associates consist of:

	Acquisition Cost	2021 Allowance for Impairment	Total	2020	Percentage of Ownership			
					2021	2020	Direct	Indirect
Indophil Resources Philippines, Inc. (IRPI)	<b>₱1,318,510,532</b>	<b>₱-</b>	<b>₱1,318,510,532</b>	<b>₱1,318,510,532</b>	<b>2.00</b>	<b>-</b>	<b>2.00</b>	<b>-</b>
Aviana Development Corporation (Aviana)	<b>963,311,802</b>	<b>-</b>	<b>963,311,802</b>	<b>963,311,802</b>	<b>34.00</b>	<b>-</b>	<b>34.00</b>	<b>-</b>
RCP Holdings, Inc.	<b>80,851,701</b>	<b>(80,851,701)</b>	<b>-</b>	<b>-</b>	<b>31.24</b>	<b>-</b>	<b>31.24</b>	<b>-</b>
T'boli Agro-Industrial Development, Inc.	<b>66,193,299</b>	<b>(66,193,299)</b>	<b>-</b>	<b>-</b>	<b>22.32</b>	<b>-</b>	<b>22.32</b>	<b>-</b>
	<b>₱2,428,867,334</b>	<b>(₱147,045,000)</b>	<b>₱2,281,822,334</b>	<b>₱2,281,822,334</b>				

#### IRNL and IRPI

The Company purchased 29,149,000 shares of IRNL in the amount of ₱1,316 million in 2010. Together with the ownership interests of Alsons Prime Investment Corporation (APIC) and AC, entities under Alcantara Group, 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 Company has concluded that it has significant influence over IRNL through its representation in the BOD of IRNL. Accordingly, the Company treated its investment in IRNL as "Investment in associate" in the parent company financial statements. The 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 Company, APIC and AC was deemed terminated.

On December 11, 2015, the Company and AC entered into Deed of Assignment of Shares (share swap) agreements with APIC, whereby the Company and AC assigned and transferred to APIC all their interests in IRNL in exchange for ownership interests in IRPI. Accordingly, the Company





recognized the investment in IRPI amounting to ₱1,315.5 million representing the cost of the investment at the date of the share swap agreement.

The transfer of the Company's investment in IRNL to investment in IRPI resulted in the Company still exercising significant influence over IRPI due to its representation in the BOD. Accordingly, ACR treats its investment in IRPI as "Investment in associate" in the parent company financial statements.

On September 30, 2019, the Company increased its investment in IRPI amounting to ₱3.0 million to maintain its percentage of share over IRPI of 2% as the latter increased its authorized capital stock.

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

	2021	2020
	<i>(Amounts in Thousands)</i>	
Current assets	<b>₱3,228,244</b>	<b>₱2,773,302</b>
Noncurrent assets	<b>18,836,087</b>	<b>18,836,087</b>
Current liabilities	<b>241,625</b>	<b>241,691</b>
Noncurrent liabilities	<b>395,567</b>	<b>—</b>
Net income (loss)	<b>1,482</b>	<b>(236)</b>
Total comprehensive income (loss)	<b>1,482</b>	<b>(236)</b>

#### Aviana

On March 21, 2013, Aldevinco and ACIL (collectively referred to as "AG") and Ayala Land, Inc. (Ayala Land) entered into a joint venture agreement, where Ayala Land shall own 60% and AG shall own 40% of the outstanding capital stock of Aviana to undertake the development of the Lanang property of the Company in Davao City.

On September 17, 2013, Aviana was incorporated as a joint venture corporation. The Company subscribed to the 296 preferred shares and 32 common shares for 32.8% ownership in Aviana. In August 2015, the Company subscribed to additional 261,450 preferred shares and 29,050 common shares of Aviana for ₱21.5 million. In December 2015, the Company subscribed to additional 332,200 preferred shares and 35,800 common shares of Aviana through the conversion of the Company's advances amounting to ₱35.8 million. The additional subscription to shares of Aviana in 2015 increased the Company's interest in Aviana to 34%.

On April 11, 2016, ACR transferred the Lanang property to Aviana as part of its capital contribution. The Company received a total cash consideration amounting to ₱953.5 million.

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

	2021	2020
	<i>(Amounts in Thousands)</i>	
Current assets	<b>₱3,141,532</b>	<b>₱2,567,199</b>
Noncurrent assets	<b>2,087,366</b>	<b>2,307,902</b>
Current liabilities	<b>2,741,804</b>	<b>2,380,787</b>
Noncurrent liabilities	<b>282,615</b>	<b>423,259</b>
Revenue and other income	<b>1,717,566</b>	<b>1,242,362</b>
Net income	<b>212,816</b>	<b>187,013</b>
Total comprehensive income	<b>212,816</b>	<b>187,013</b>



The Company received cash dividends from Aviana amounting to ₱24.9 million and ₱33.2 million in 2021 and 2020, respectively (see Note 16). These dividends were recorded as part of "Dividend income" account in the parent company statements of income.

## 11. Equity investments Designated at FVTOCI

Equity investments designated as FVTOCI primarily consist of investments in quoted and unquoted equity securities with the following movements:

	2021	2020
<b>Acquisition costs</b>		
Balances at beginning and end of year		
Unquoted	₱2,221,268,769	₱2,221,268,769
Quoted	16,610,103	16,610,103
	<b>2,237,878,872</b>	<b>2,237,878,872</b>
<b>Unrealized gain on changes in fair value (Note 17)</b>		
Balances at beginning of year	19,871,572	25,437,350
Fair value changes recognized in OCI	3,795,982	(5,565,778)
Balances at end of year	<b>23,667,554</b>	<b>19,871,572</b>
	<b>₱2,261,546,426</b>	<b>₱2,257,750,444</b>

The fair value of investments in shares of listed companies was based on their bid prices as of December 31, 2021 and 2020.

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:

- Fair values of real estate inventories against estimated selling prices less cost to sell;
- Fair values of real estate properties against appraisal reports;
- Fair values of listed equity securities against quoted prices;
- Fair values of unlisted equity securities against adjusted net asset values of the investee companies; and
- Discount for lack of control and lack of marketability.

## 12. Other Assets

### Other Current Assets

	2021	2020
Debt reserve account (Note 15)	₱175,017,309	₱172,610,850
Short-term investments	112,434,574	105,873,559
Prepaid expenses	8,084,677	6,956,004
	<b>₱295,536,560</b>	<b>₱285,440,413</b>

Debt reserve account and short-term investments earn interest at prevailing short-term deposit rates.

Interest income earned from debt reserve account and short-term investments amounting to ₱2.2 million and ₱3.5 million in 2021 and 2020, respectively.



Other Noncurrent Assets

	2021	2020
Creditable withholding tax	₱57,390,433	₱57,390,433
Advances to landowner	60,955,323	60,414,473
Input VAT	5,261,788	4,365,418
Property and equipment	782,359	1,038,776
Others	401,804	401,802
	<b>₱124,791,707</b>	<b>₱123,610,902</b>

*Advances to landowner*

Advances to landowner pertains to down payment made by the Company to a certain individual for the purchase of land in Davao.

*Property and equipment*

Details of the Company's property and equipment are as follows:

As at December 31, 2021:

	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
<b>Cost</b>				
Balance at beginning of year	₱7,437,875	₱2,683,821	₱14,069,059	₱24,190,755
Additions	326,322	—	—	326,322
Balance at end of year	7,764,197	2,683,821	14,069,059	24,517,077
<b>Accumulated Depreciation</b>				
Balance at beginning of year	7,254,754	1,828,166	14,069,059	23,151,979
Depreciation	306,058	276,681	—	582,739
Balance at end of year	7,560,812	2,104,847	14,069,059	23,734,718
<b>Net Book Value</b>	<b>₱203,385</b>	<b>₱578,974</b>	<b>₱—</b>	<b>₱782,359</b>

As at December 31, 2020:

	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
<b>Cost</b>				
Balance at beginning of year	₱7,111,933	₱2,683,821	₱14,069,059	₱23,864,813
Additions	325,942	—	—	325,942
Balance at end of year	7,437,875	2,683,821	14,069,059	24,190,755
<b>Accumulated Depreciation</b>				
Balance at beginning of year	7,042,175	1,541,805	14,069,059	22,653,039
Depreciation	212,579	286,361	—	498,940
Balance at end of year	7,254,754	1,828,166	14,069,059	23,151,979
<b>Net Book Value</b>	<b>₱183,121</b>	<b>₱855,655</b>	<b>₱—</b>	<b>₱1,038,776</b>

The Company has fully depreciated property and equipment still used in the operations with both cost and accumulated depreciation of ₱22.9 million and ₱22.4 million as at December 31, 2021 and 2020, respectively.



### 13. Accrued Expenses and Other Current Liabilities

	2021	2020
Payable to TTC	₱40,564,511	₱40,564,511
Interest payable (Notes 14 and 15)	29,034,417	29,160,020
Dividends payable	5,038,321	5,038,321
Payables to government agencies	4,111,044	6,817,614
Accrued expenses	1,749,857	2,039,832
Other payables	6,731,535	5,276,018
	<b>₱87,229,685</b>	<b>₱88,896,316</b>

Payable to TTC and other payables are non-interest-bearing cash advances and are payable on demand.

Interest payable is normally settled semi-annually throughout the financial year.

Accrued expenses are non-interest bearing and have an average term of 30 days.

Payables to government agencies pertain to withholding taxes, SSS premiums and other liabilities, and other liabilities to the government which are non-interest bearing and are remitted within 30 days after reporting date.

Other payables include security services and private placement fee on outstanding loan in which the Company has not yet paid.

### 14. Short-term Loans and Commercial Papers

#### Short-term Loans

In 2021 and 2020, the Company availed of unsecured short-term loans from local banks totaling to ₱1,378.4 million and ₱1,507.3 million, respectively. These loans are subject to annual fixed interest rates ranging from 3.50% to 6.00% per annum and are payable on various dates within one year. Upon maturity in 2020, these loans were renewed by the Company. As at December 31, 2021 and 2020, outstanding short-term loans amounted to ₱1,570.5 million and ₱1,382.7 million, respectively.

Interest expense incurred in 2021 and 2020 related to these short-term loans amounted to ₱68.8 million and ₱28.8 million, respectively (see Note 19). Interest payable amounted to ₱5.2 million as of December 31, 2021 and 2020 (see Note 13).

#### Commercial Papers

In 2018, the Company initiated a ₱2.5 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 ₱1,500.0 million and ₱1,000.0 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, and was paid in October 2019. These were issued at discounted amounts with net proceeds amounting to ₱94.0 million.

In 2019, the Parent 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. This was settled in 2019 and 2020.



In 2021, the Parent Company has listed a total of ₱2,000 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,944 million.

Outstanding balance from the commercial papers amounted to ₱1,943 million and ₱893 million as at December 31, 2021 and 2020, respectively.

The Company has recognized an interest expense amounting to ₱55.7 million and ₱51.9 million in 2021 and 2020, respectively, for the amortization of discount on these commercial papers (see Note 19).

## 15. Long-term Debts

The Company's long-term debts consist of:

	2021	2020
Five-year fixed rate corporate note	₱5,188,925,000	₱5,215,000,000
Seven-year fixed rate corporate note	781,075,000	785,000,000
	5,970,000,000	6,000,000,000
Less unamortized transaction costs	(75,156,202)	(93,428,435)
	5,894,843,798	5,906,571,565
Less current portion	(10,836,402)	(11,727,767)
Noncurrent portion	₱5,884,007,396	₱5,894,843,798

The loans of the Company consist of the following:

- Omnibus Notes Facility and Security Agreement (ONFSA)* - On November 23, 2020, ACR entered into a facility agreement with various noteholders with aggregate principal amount of ₱6,000 million divided into two (2) tranches: (a) Tranche A with principal amount of ₱5,215 million, subject to fixed interest rate of 5% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of ₱785 million, subject to fixed interest rate of 6%. The loans are payable semi-annually based on graduated rates of 0.5% of the principal in the first year and 77% of the principal in the year of maturity. Proceeds of the loan shall be used to prepay ACR's fixed rate corporate notes facility, partly finance the investments in renewable energy projects and for general corporate purposes. ACR had drawn the entire loan facility amounting to ₱6,000 million as of December 31, 2020.

ACR shall maintain certain financial ratios such as debt-to-equity ratio of not more than 3.0 on the first and 2<sup>nd</sup> year, 2.75 on the 3<sup>rd</sup> year, 2.5 on the 4<sup>th</sup> year and 2.33 on the 5<sup>th</sup> year and until maturity, and debt service coverage ratio of not less than 1.1 at all times during the duration of the loan. As at December 31, 2021, ACR is in compliance with the debt covenants. Throughout the term of the loan, ACR is required to maintain a debt service reserve account with a balance of not less than the aggregate amount of principal and interest falling due and payable under the agreement on the immediately succeeding repayment date. As at December 31, 2021 and 2020, the remaining balance of debt reserve account amounted to ₱175 and ₱173 million, respectively (see Note 15).

The ONFSA is collateralized through the Share Collateral Security Agreement. Share collateral means (i) the share certificates, (ii) the shares legally and/or beneficially owned or to be owned by ACR in CHC, APhi and AREC, and any additional shares that shall be acquired in the future



by ACR, (iii) the deposits for future subscription paid by ACR in CHC, APHI and AREC, and (iv) all the rights, title and interest of ACR to the share collateral.

- b. *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 7<sup>th</sup> year from the drawdown date. In 2018, the Company has prepaid a part of the loan amounting to ₱1,400 million and recognized loss on prepayment amounting to ₱75 million. ACR then settled the remaining balance of fixed rate corporate notes facility in November 2020.

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

	2021	2020
Balances at beginning of year	₱93,428,435	₱35,947,367
Additions	—	94,827,513
Amortization of transaction costs (Notes 19 and 25)	(18,272,233)	(37,346,445)
Balances at end of year	₱75,156,202	₱93,428,435

Interest expense recognized in 2021 and 2020 amounted to ₱179.3 million and ₱406.1 million, respectively (see Note 19). Interest payable amounted to ₱23.8 million and ₱23.9 million as of December 31, 2021 and 2020, respectively (see Note 13).

## 16. 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 Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company 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 Company'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.



The Company, in the ordinary course of business, has entered into transactions with related parties which consist mainly of cash advances to/from and dividend income. No provision for impairment loss on the receivables was recognized in 2021 and 2020. This assessment is undertaken each financial year through examining the amount and timing of future cash flows of the related parties and the market in which the related party operates.

The table below shows the details of the Company's transactions with related parties.

Related Party		Dividend Income (Notes 9, 10 and 11)	Advances	Due from Related Parties (Note 8)	Dividend Receivable (Note 8)	Advances to Subsidiaries (Note 9)	Terms and Conditions
Subsidiaries	2021	₱572,500,015	₱479,342,816	₱2,694,067,431	₱450,000,015	₱-	Due on demand, noninterest-bearing, unsecured, payable in cash
		-	-	-	-	44,748,182	Noninterest-bearing, unsecured, payable in cash
	2020	672,000,018	1,414,803,601	4,304,129,298	300,000,010	-	Due on demand, noninterest-bearing, unsecured, payable in cash
		-	-	-	-	44,748,182	Noninterest-bearing, unsecured, payable in cash
		-	165,000,000	-	-	-	Interest-bearing, unsecured, payable in cash
Affiliates	2021	24,900,000	99,465,949	1,706,545,710	264,000,000	-	Due on demand, noninterest-bearing, unsecured, payable in cash
	2020	33,200,000	343,481,946	1,026,007,445	264,000,000	-	-do-
	2021	₱597,400,015	₱578,808,765	₱4,400,613,141	₱714,000,015	₱44,748,182	
	2020	₱705,200,018	₱1,923,285,547	₱5,330,136,743	₱564,000,010	₱44,748,182	

In 2021, ACR subscribed to additional common shares of ATEC amounting to ₱1,879.5 million, which was settled through conversion of advances (see Note 9).

In 2021, ACR subscribed to additional common shares of AREC amounting to ₱93.8 million, which was settled through conversion of advances (see Note 9).

Interest income earned from interest-bearing advances amounting to nil and ₱0.7 million in 2021 and 2020, respectively.

#### *Compensation of key management personnel*

The compensation of the Company's key management personnel consisting of short-term employee benefits amounted to ₱4.8 million and ₱3.8 million in 2021 and 2020, respectively.

## 17. Equity

### Capital Stock

	2021		2020	
	Number of Shares	Amount	Number of Shares	Amount
Common - ₱1 par value				
Authorized	11,945,000,000	-	11,945,000,000	-
Issued and outstanding	6,291,500,000	6,291,500,000	6,291,500,000	6,291,500,000
Redeemable preferred - ₱0.01 par value				
Authorized	5,500,000,000	-	5,500,000,000	-
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(2,016,667)		(6,416,667)
		₱6,344,483,333		₱6,340,083,333



On May 24, 2011, the Philippine SEC approved the Company's amended Articles of Incorporation converting 55,000,000 authorized and unissued common shares into 5,500,000,000 redeemable preferred shares with a par value of ₱0.01 per share.

The redeemable preferred shares shall have the following features:

- a. The 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 the Company, 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 was no dividend in arrears in 2021 and 2020.
- c. The Company may, by resolution of the BOD, redeem the preferred shares at par value. The Company will redeem the preferred shares at par value (i) when the foreign equity limits to which the Company is subject to shall have been removed; and (ii) the Company is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require the Company 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 the Company 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 Company. Subscriptions payable of AC amounted to ₱2 million and ₱6 million, net of the 8% dividends declared for preferred shares, as at December 31, 2021 and 2020, respectively.

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

Date of SEC Approval	Activity	Number of Common Shares		Issue/Offer Price
		Authorized	Issued	
1993	Initial Public Offering	12,000,000,000	6,291,500,000	₱1
2011	Conversion of unissued common shares to redeemable preferred shares	(55,000,000)	—	—
		11,945,000,000	6,291,500,000	

As at December 31, 2021 and 2020, the Company has 453 and 454 stockholders, respectively.

#### Retained Earnings

On May 4, 2012 and March 28, 2014, the BOD approved the appropriation of ₱850 million and ₱850 million of its retained earnings as at December 31, 2011 and December 31, 2013, respectively, for its equity contributions to various projects.





On December 11, 2016, the BOD approved the reversal of appropriation relating to Phase 1 of the Sarangani project amounting to ₱400 million.

On March 22, 2018, the BOD approved the reversal of appropriation relating to Phase 2 of the Sarangani project amounting to ₱200 million.

The appropriated retained earnings as of December 31, 2021 and 2020 is for the following projects:

Project Name	Nature/Project Description	Amount (in millions)	Timeline (Year)
Siguil	Hydro-electric power in Maasim, Sarangani	₱370	2023
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	600	2024
Bago	Hydro-electric power in Negros Occidental	130	2025
		<b>₱1,100</b>	

The Company declared the following cash dividends on its common shares:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2021	May 20, 2021	₱125,830,000	₱0.020	June 30, 2021	July 23, 2021
2020	July 9, 2020	125,830,000	0.020	July 23, 2020	August 4, 2020

Dividends on preferred shares amounting to ₱4.4 million for years 2021 and 2020 were applied against the Company's subscriptions receivable from AC (see Note 25).

#### Equity Reserves

As at December 31, 2021 and 2020, equity reserves consist of the following:

	2021	2020
Unrealized gains on equity investments designated at FVTOCI (Note 11)	<b>₱23,667,554</b>	₱19,871,572
Remeasurement gains (losses) on defined benefit plan (Note 18)	<b>(399,302)</b>	2,438,850
Other reserves	<b>(14,049,640)</b>	(14,049,640)
	<b>₱9,218,612</b>	₱8,260,782

## **18. Retirement Plan**

The Company has an unfunded, noncontributory defined benefit retirement plan covering substantially all of its qualified employees. Retirement benefits are dependent on the years of service and the respective employee's compensation. The Company's latest actuarial valuation report is as at December 31, 2021.

Republic Act No. 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.



The following table summarizes the movements in retirement benefits payable of the Company:

	2021	2020
Balances at beginning of year	<b>₱10,594,811</b>	<b>₱10,335,903</b>
Retirement benefits cost charged in profit or loss:		
Current service cost	<b>1,282,524</b>	1,727,438
Interest cost	<b>424,852</b>	524,030
	<b>1,707,376</b>	2,251,468
Remeasurements loss (gain) recognized in OCI arising from:		
Experience adjustments	<b>5,594,534</b>	(2,171,948)
Changes in financial assumptions	<b>(2,712,969)</b>	1,291,861
Changes in demographic assumptions	<b>(43,413)</b>	(1,112,473)
	<b>2,838,152</b>	(1,992,560)
Balances at end of year	<b>₱15,140,339</b>	<b>₱10,594,811</b>

The principal assumptions used in determining the retirement benefits liability as of January 1 follow:

	2021	2020
Discount rates	<b>4.01%</b>	5.07%
Rate of future increase in compensation	<b>10.00%</b>	10.00%

As of December 31, 2021, the discount and future salary increase rates are 5.17% and 10.00%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2021		2020	
	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
Discount rates	<b>100</b>	(1,913,516)	100	(₱1,224,764)
	<b>(100)</b>	2,302,537	(100)	1,457,159
Salary increase	<b>100</b>	2,170,513	100	1,357,558
	<b>(100)</b>	(1,852,006)	(100)	(1,173,115)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2021	2020
More than 1 year to 5 years	<b>₱3,496,729</b>	<b>₱1,510,521</b>
More than 5 years to 10 years	<b>11,773,486</b>	3,770,430

The average duration of the defined benefit plan obligations as at December 31, 2021 and 2020 is 14 years and 13 years, respectively.



## 19. Finance Charges

	2021	2020
Interest on long-term debts (Note 15)	₱179,320,594	₱406,143,500
Interest on short-term loans and commercial papers (Note 14)	124,455,406	80,712,749
Amortization of transaction costs on long-term debts (Note 15)	18,272,233	37,346,445
Interest on loan accommodation	8,225,593	10,022,069
Interest on car loan amortization	30,077	49,096
	<b>₱330,303,903</b>	<b>₱534,273,859</b>

## 20. Income Taxes

- a. The reconciliation of income tax computed using the statutory income tax rate to benefit from income tax as shown in the parent company statements of income follows:

	2021	2020
Income tax expense at statutory income tax rate	₱51,261,666	₱34,498,001
Income tax effects of:		
Deductible temporary differences, NOLCO and excess MCIT for which no deferred income tax assets were recognized	98,911,370	178,000,973
Dividend income exempt from income tax	(149,350,004)	(211,560,005)
Income subjected to final tax	(1,136,668)	(3,222,919)
Nondeductible expenses	313,636	2,283,950
Benefit from income tax	<b>₱-</b>	<b>₱-</b>

- b. The components of the Company's net deferred income tax liabilities are as follows:

	2021	2020
Deferred income tax liabilities on unamortized transaction costs	₱18,789,051	₱28,028,531
Deferred income tax liabilities on unrealized foreign exchange gains	3,730,113	-
Deferred income tax on asset on NOLCO	(22,519,164)	(28,028,531)
	<b>₱-</b>	<b>₱-</b>

- c. The Company did not recognize deferred income tax assets on the following NOLCO, excess MCIT and deductible temporary differences since management believes that it is not probable that sufficient future taxable income will be available to allow all or part of these deferred tax assets to be utilized.

	2021	2020
NOLCO	₱1,507,821,768	₱1,699,204,966
Retirement benefits payable	15,140,339	10,594,811
MCIT	95,673	95,673
Unrealized foreign exchange loss	-	12,403,437



d. The movements of NOLCO and excess MCIT are shown below:

	2021		2020	
	NOLCO	Excess MCIT	NOLCO	Excess MCIT
Balances at beginning of year	₱1,792,633,403	₱95,673	₱1,774,427,042	₱201,116
Additions	402,989,759	–	646,974,884	–
Expirations	(597,724,738)	–	(628,768,523)	(105,443)
Balances at end of year	₱1,597,898,424	₱95,673	₱1,792,633,403	₱95,673

As of December 31, 2021, the Company has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021	Available Until
2018	₱597,724,738	₱–	(₱597,724,738)	₱–	2021
2019	547,933,781	–	–	547,933,781	2022
	₱1,145,658,519	₱–	(₱597,724,738)	₱547,933,781	

As of December 31, 2021, the Company has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021	Available Until
2020	₱646,974,884	₱–	₱–	₱646,974,884	2025
2021	–	402,989,759	–	402,989,759	2026
	₱646,974,884	₱402,989,759	₱–	₱1,049,964,643	

The carryforward benefits of excess MCIT over RCIT that can be claimed as deduction from future regular taxable income are as follows:

Year Incurred	Balance as at December 31, 2020	Additions	Expiration	Balance as at December 31, 2021	Available Until
2019	₱95,673	₱–	₱–	₱95,673	2023

## 21. Financial Risk Management Objectives and Policies

The Company's principal financial instruments are composed of cash and cash equivalents, receivables, short-term investments, debt reserve account, equity investments designated at FVTOCI, accrued expenses and other current liabilities, short-term loans, short-term commercial papers and long-term debts. The main purpose of these financial instruments is to raise finances for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, equity price risk and foreign currency risk. The Company's BOD and management review and agree on the policies for managing each of these risks and these are summarized in the next page.



### Credit Risk

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The maximum exposure to credit risk of the Company's financial assets is represented by the carrying amount of cash and cash equivalents, receivables, short-term investments and debt reserve account in the parent company statements of financial position. Credit risk is concentrated with its related parties.

The table below shows the maximum exposure to credit risk for the components of the parent company statements of financial position. The maximum exposure is shown at gross.

	2021	2020
	<i>(In Thousands)</i>	
Cash and cash equivalents*	₱311,068	₱210,307
Receivables**	5,121,101	5,900,618
Short-term investments	112,435	105,874
Debt reserve account	175,017	172,611
	<b>₱5,719,621</b>	<b>₱6,389,410</b>

\*Excluding cash on hand amounting to ₱0.01 million in December 31, 2021 and 2020.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to ₱0.04 million and ₱0.06 million as at December 31, 2021 and 2020, respectively.

### Receivables

The Company's receivables 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 Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, receivables 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.

### Cash and cash equivalents, short-term investments and debt reserve accounts

Cash and cash equivalents, short-term investments and debt 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 Company's financial assets (gross of allowance for impairment losses) as at December 31:

	2021					
	Current		Past Due	Credit	Total	
	Minimal Risk	Average Risk	High Risk	(1-90 Days)	Impaired	
Cash and cash equivalents*	₱311,068	₱-	₱-	₱-	₱-	₱311,068
Receivables**	5,121,101	-	-	-	-	5,121,101
Short-term investments	112,435	-	-	-	-	112,435
Debt reserve account	175,017	-	-	-	-	175,017
	<b>₱5,719,621</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱5,719,621</b>

\*Excluding cash on hand amounting to ₱0.01 million.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to ₱0.04 million.



	2020					
	Current			Past Due (1-90 Days)	Credit Impaired	Total
	Minimal Risk	Average Risk	High Risk			
Cash and cash equivalents*	₱210,307	P–	P–	P–	P–	₱210,307
Receivables**	5,900,618	–	–	–	–	5,900,618
Short-term investments	105,874	–	–	–	–	105,874
Debt reserve account	172,611	–	–	–	–	172,611
	₱6,389,410	P–	P–	P–	P–	₱6,389,410

\*Excluding cash on hand amounting to P0.01 million.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to P0.06 million.

The Company 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 Company.

*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 of the Company's financial assets as at December 31:

	2021			
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	P311,068	P-	P-	P311,068
Receivables**	5,121,101	-	-	5,121,101
Short-term investments	112,435	-	-	112,435
Debt reserve account	175,017	-	-	175,017
	P5,719,621	P-	P-	P5,719,621

\*Excluding cash on hand amounting to P0.01 million.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to P0.04 million.

	2020			
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	P210,307	P-	P-	P210,307
Receivables**	5,900,618	-	-	5,900,618
Short-term investments	105,874	-	-	105,874
Debt reserve account	172,611	-	-	172,611
	P6,389,410	P-	P-	P6,389,410

\*Excluding cash on hand amounting to P0.01 million.

\*\*Excluding advances for business expenses and advances to officers and employees totaling to P0.06 million.

### Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. The Company maintains sufficient cash to finance its operations.



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

2021							
	Due and Demandable	Less than 6 Months	6-12 Months	More than 1 Year to 3 Years	4-5 Years	5 Years onwards	Total
<i>(In Thousands)</i>							
<b>Financial Liabilities:</b>							
Accrued expenses and other current liabilities*	₱54,084	₱-	₱-	₱-	₱-	₱-	₱54,084
Short-term loans**	-	1,577,158	-	-	-	-	1,577,158
Short-term commercial papers**	-	265,000	1,735,000	-	-	-	2,000,000
Long-term debts**	-	168,155	167,771	1,756,754	4,425,785	639,069	7,157,534
	54,084	2,010,313	1,902,771	1,756,754	4,425,785	639,069	10,788,776
<b>Financial Assets:</b>							
Cash and cash equivalents	311,076	-	-	-	-	-	311,076
Receivables***	5,114,613	-	6,488	-	-	-	5,121,101
Short-term investments	-	-	112,435	-	-	-	112,435
Debt reserve account	-	175,017	-	-	-	-	175,017
Equity investments designated at FVTOCI	-	-	-	-	-	2,261,546	2,261,546
	5,425,689	175,017	118,923	-	-	2,261,546	7,981,175
<b>Liquidity Position (Gap)</b>	<b>₱5,371,605</b>	<b>(₱1,835,296)</b>	<b>(₱1,783,848)</b>	<b>(₱1,756,754)</b>	<b>(₱4,425,785)</b>	<b>₱1,622,477</b>	<b>(₱2,807,601)</b>

\*Excluding payables to government agencies and interest payable totaling to ₱33.15 million.

\*\*Including interest payable computed using prevailing rate as at December 31, 2021.

\*\*\*Excluding advances for business expenses and advances to employees totaling to ₱0.04 million.

2020							
	Due and Demandable	Less than 6 Months	6-12 Months	More than 1 Year to 3 Years	4-5 Years	5 Years onwards	Total
<i>(In Thousands)</i>							
<b>Financial Liabilities:</b>							
Accrued expenses and other current liabilities*	₱52,919	₱-	₱-	₱-	₱-	₱-	₱52,919
Short-term loans**	-	1,387,883	-	-	-	-	1,387,883
Short-term commercial papers**	-	-	918,000	-	-	-	918,000
Long-term debts**	-	168,925	168,540	1,119,645	5,247,706	790,181	7,494,997
	52,919	1,556,808	1,086,540	1,119,645	5,247,706	790,181	9,853,799
<b>Financial Assets:</b>							
Cash and cash equivalents	210,317	-	-	-	-	-	210,317
Receivables***	5,894,137	-	6,481	-	-	-	5,900,618
Short-term investments	-	-	105,874	-	-	-	105,874
Debt reserve account	-	172,611	-	-	-	-	172,611
Equity investments designated at FVTOCI	-	-	-	-	-	2,257,750	2,257,750
	6,104,454	172,611	112,355	-	-	2,257,750	8,647,170
<b>Liquidity Position (Gap)</b>	<b>₱6,051,535</b>	<b>(₱1,384,197)</b>	<b>(₱974,185)</b>	<b>(₱1,119,645)</b>	<b>(₱5,247,706)</b>	<b>₱1,467,569</b>	<b>(₱1,206,629)</b>

\*Excluding payables to government agencies and interest payable totaling to ₱35.98 million..

\*\*Including interest payable computed using prevailing rate as at December 31, 2020.

\*\*\*Excluding advances for business expenses and advances to employees totaling to ₱0.06 million..

The Company monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a weekly basis to arrive at the projected cash position to cover its obligations.



The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

#### Equity Price Risk

Equity price risk is the risk that the fair value of quoted equity investment decreases as the result of changes in the value of individual stock. The Company's exposure to equity price risk relates primarily to the Company's quoted equity investments. The Company'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 Company 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 Company's equity. The reasonably possible change in equity price was based on the year-to-year change of stock market indices. 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 equity.

Equity price risk of those equity investments listed in the Philippine Stock Exchange is as follows:

	2021		2020	
	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	<b>₱402,777</b>	<b>(₱402,777)</b>	<b>₱364,817</b>	<b>(₱364,817)</b>

#### Foreign Currency Risk

The Company's exposure to foreign currency risk is limited to cash in banks, receivables and short-term investment denominated in currencies other than its functional currency. The Company 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 were ₱50.99 to US\$1.0 and ₱48.02 to US\$1.0 for December 31, 2021 and 2020, respectively.

The table below summarizes the Company's exposure to foreign currency risk. Included in the table are the Company's financial assets at their carrying amounts.

	2021		2020	
	In U.S. Dollar	In Philippine Peso	In U.S. Dollar	In Philippine Peso
Financial assets:				
Cash and cash equivalents	<b>\$8,588</b>	<b>₱437,902</b>	<b>\$16,890</b>	<b>₱811,108</b>
Short-term investments	<b>5,205,115</b>	<b>265,408,814</b>	<b>5,197,538</b>	<b>249,601,367</b>
	<b>\$5,213,703</b>	<b>₱265,846,716</b>	<b>\$5,214,428</b>	<b>₱250,412,475</b>

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar to Philippine peso exchange rate, with all other variables held constant, on the Company's income (loss) before income tax as at December 31, 2021 and 2020.





The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical data within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2021		2020	
	Philippine Peso		Philippine Peso	
	Increase	Decrease	Increase	Decrease
Change in foreign exchange rate	+1.00%	-1.00%	+1.00%	-1.00%
Increase (decrease) in income before income tax	(P2,658,467)	P2,658,467	P2,504,125	(P2,504,125)

The increase in ₱ against US\$1 means stronger U.S. dollar against peso while the decrease in ₱ against US\$1 means stronger peso against U.S. dollar.

#### Capital Management

The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares. There were no changes made in the objectives, policies or processes during the years ended December 31, 2021 and 2020. The Company met its objectives, policies or processes in 2021 and 2020.

The Company 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 expense, taxes, depreciation and amortization over total interest expense.

The Company's strategy, which was unchanged from prior year, was to maintain the debt-to-equity ratio and interest coverage ratio at manageable levels.

The Company's debt-to-equity ratio and interest coverage ratio are as follows (based on consolidated numbers):

a. Debt-to-equity Ratio:

	2021	2020
Long-term debts	P20,587,209,489	P21,993,281,742
Total equity	12,008,281,501	11,676,355,065
Debt-to-equity ratio	1.71:1	1.88:1

b. Interest Coverage Ratio:

	2021	2020
Income before income tax	P1,486,319,578	P2,161,265,848
Add depreciation, amortization and interest expense	3,238,976,286	3,827,640,978
Add: ending cash balance	2,864,190,106	2,702,894,906
Total cash available for interest expense	7,589,485,970	8,691,801,732
Divided by aggregate principal and interest during the next period	3,266,685,474	3,127,364,700
	2.32:1	2.78:1



## 22. Financial and Non-financial Instruments

The Company 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, 2021:

	Carrying Value	Total	Fair Value Level 1	Level 2	Level 3
Financial asset -					
Measured at fair value -					
Equity investment designated as FVTOCI	P2,261,546,426	P2,261,546,426	P40,277,657	P-	P2,221,268,769
Financial liability -					
Fair value is disclosed -					
Long-term debts	P5,894,843,798	P6,920,845,753	P-	P-	P6,920,845,753

As at December 31, 2020:

	Carrying Value	Total	Fair Value Level 1	Level 2	Level 3
Financial asset -					
Measured at fair value -					
Equity investment designated as FVTOCI	P2,257,750,444	P2,257,750,444	P36,481,675	P-	P2,221,268,769
Financial liability -					
Fair value is disclosed -					
Long-term debts	P5,906,571,565	P7,323,280,727	P-	P-	P7,323,280,727

During the years ended December 31, 2021 and 2020, 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, receivables, short-term investments, accrued expenses and other current liabilities and short-term loans*

The carrying amounts of these financial assets approximate their fair values due to the short-term maturity of these instruments.

*Financial assets at FVTOCI*

The Company'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, 2021, and 2020, the Company's investment in unquoted equity investments is measured at fair value using the adjusted net asset value approach as of December 31, 2021 and 2020, respectively (see Note 13).



The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis are shown below:

As at December 31, 2021:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Price per square meter for real estate properties	₱22,484 - ₱77,000	+1% -1%	₱5 (5)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.28 times	+1% -1%	53 (53)
Discount for lack of control and marketability	10% - 15%	+5% -5%	(244) 259

As at December 31, 2020:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Price per square meter for real estate properties	₱27,320 - ₱70,370	+1% -1%	₱5 (5)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.43 times	+1% -1%	48 (48)
Discount for lack of control and marketability	10%	+5% -5%	(238) 251

#### *Long-term debts*

The fair value of long-term debts with fixed interest rate is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments. For the years ended December 31, 2021 and 2020, rates used ranged from 5.43% to 8.15%.

### **23. Lease Agreement**

The Company leases office space from ALC for a period of one year up to December 31, 2020. The lease was renewed for another 1 year up to December 31, 2021. Rent expense amounted to ₱2.8 million in 2021 and ₱1.5 million in 2020.

### **24. Contingencies**

There are contingent liabilities that arise in the normal course of the operations of the Company and its subsidiaries and associates that are not reflected in the accompanying parent company financial statements as management believes that the resolution will not materially affect the Company's financial performance.



## 25. Notes to Statements of Cash Flows

- a. The principal noncash financing activity of the Company are as follows:

	2021	2020
Conversion of advances (Note 9)	<b>₱1,973,212,500</b>	<b>₱--</b>

- b. Reconciliation of the movement of liabilities arising from financing activities as at and for the years ended December 31, 2021 and 2020 are as follows:

	2021		
	Short-term loans	Short-term commercial papers	Long-term debts
Beginning balance	<b>₱1,382,667,507</b>	<b>₱892,790,136</b>	<b>₱5,906,571,565</b>
Cash movements:			
Availment of additional debt	1,378,400,000	2,000,000,000	—
Settlement of debt	(1,190,532,477)	(949,686,073)	(30,000,000)
Noncash movements:			
Amortization of debt issue costs	—	—	18,272,233
Ending balance	<b>₱1,570,535,030</b>	<b>₱1,943,104,063</b>	<b>₱ 5,894,843,798</b>

	2020		
	Short-term loans	Short-term commercial papers	Long-term debts
Beginning balance	<b>₱62,291,726</b>	<b>₱973,725,542</b>	<b>₱5,988,052,633</b>
Cash movements:			
Availment of additional debt	1,507,316,612	1,694,000,000	6,000,000,000
Settlement of debt	(186,940,831)	(1,776,617,276)	(6,024,000,000)
Payment of debt issue costs	—	—	(94,827,513)
Noncash movements:			
Amortization of debt issue costs	—	—	37,346,445
Amortization of discounts	—	1,681,870	—
Ending balance	<b>₱1,382,667,507</b>	<b>₱892,790,136</b>	<b>₱5,906,571,565</b>

- c. Reconciliation of the movement of interest payable and dividend payable arising from financing activities as at and for the years ended December 31, 2021 and 2020 are as follows:

	2021	
	Interest payable	Dividend payable
Beginning balance	<b>₱29,160,020</b>	<b>₱5,038,321</b>
Cash movements:		
Payment	(312,157,273)	(125,830,000)
Noncash movements:		
Declaration	—	130,230,000
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense, excluding discount and debt issue cost	312,031,670	—
Ending balance	<b>₱29,034,417</b>	<b>₱5,038,321</b>



	2020	
	Interest payable	Dividend payable
Beginning balance	₱35,028,263	₱4,714,698
Cash movements:		
Payment	(501,113,788)	(125,506,377)
Noncash movements:		
Declaration	—	130,230,000
Application of dividends to subscriptions receivable (Note 21)	—	(4,400,000)
Interest expense, excluding discount and debt issue cost	495,245,545	—
Ending balance	₱29,160,020	₱5,038,321

## 26. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with the requirements of Revenue Regulations No. 15-2010, presented below are the taxes paid and accrued by the Company in 2021:

### Value-added Tax (VAT)

- The Company is a VAT-registered company. However, the Company did not have any output VAT declaration during the year.
- The Company's purchases of goods and services from other VAT-registered individuals or corporations are subject to input VAT of 12%.

Balance as at January 1, 2021	₱4,365,418
Current year's transactions:	
Domestic purchases of services	859,451
Domestic purchases of goods other than capital goods	36,919
Balance as at December 31, 2021	₱5,261,788

### Taxes and Licenses

Taxes and licenses fees include licenses and permit fees recorded in the "Taxes and licenses" account under the parent company statement of income for the year ended December 31, 2021:

Documentary stamp tax	₱20,253,922
Annual listing maintenance fee	856,144
Business permits and licenses	16,030
Others	8,075
	₱21,134,171

### Withholding Taxes

	Paid	Accrued
Final withholding taxes	₱7,204,823	₱579,383
Expanded withholding taxes	8,399,454	3,385,792
Withholding taxes on compensation	1,718,963	112,011

### Tax Assessments and Cases

The Company has no final tax assessments and cases pending before the BIR as at December 31, 2021. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2021.



## **EXHIBIT 2**

### **SUPPLEMENTARY SCHEDULES DECEMBER 31, 2021**

**Schedule A: Financial Assets**  
**For the year Ended December 31, 2021**

<b>Name of Issuing Entity and Description of Each Issue</b>	<b>No. of Shares</b>	<b>Amounts Shown in the Balance Sheet</b>	<b>Valued Based on Market Quotations at Balance Sheet Date</b>	<b>Interest and Dividend Income Received and Accrued</b>
<b>Short-term deposit (cash equivalents)</b>				
Peso denominated short term deposit		412,310,574.19		3,294,867
U.S. Dollar denominated short term deposit		156,028,013		579
		<b>568,338,587</b>		<b>3,295,446</b>
<b>Short-term cash investments</b>				
U.S. Dollar denominated short term investments		112,434,574		-
Peso denominated short term investments		-		-
		<b>112,434,574</b>		<b>-</b>
<b>Equity investments designated at FVOCI</b>				
Philodrill	566,720,000	5,667,200	5,667,200	
Seafront	15,544,911	31,245,271	31,245,271	
Globe Telecom	1,013	3,365,186	3,365,186	
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	99,350,000	99,350,000	
Pueblo de Oro Development Corporation	2	900,000	900,000	
	<b>625,535,206</b>	<b>2,361,796,426</b>	<b>2,361,796,426</b>	
<b>TOTAL FINANCIAL ASSETS</b>	<b>625,535,206</b>	<b>3,042,569,587</b>	<b>2,361,796,426</b>	<b>3,295,446</b>

**SCHEDULE B – Accounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders**  
**(Other than Affiliates )**  
**For the Year Ended December 31, 2021**

Name and Designation		Beginning Balance	Additions			Current	Non-Current	Ending Balance
				Collected	Written-off			
ACR								
Cabiguen, Joel		13,500		13,500				-
Galila, Glenn		4,000		4,000				-
Dela Rosa, Devi		6,222		6,222				-
Espanol, Benjamin		22,500		22,500				-
Relucio, Clara	R	2,000		2,000				-
Rupisan, Basilio		14,200		14,200				-
		62,422	-	62,422	-	-	-	-
Alsons Land Corporation								
Saliba, Cecille	R	13,000						13,000
Bamba, Rechelle	R	41,500		41,500				-
Batalla, Rechelle		-	70,000					70,000
Billote, Juvylet Joy		-	70,000					70,000
Dela Pena, Antonio		-	7,300					7,300
Others		44,203						44,203
Legarte, Camelle	R	5,553	21,100	5,553				21,100
Roa, Susan V.	R	81,947		81,872				75
		186,203	168,400	128,925	-	-	-	225,678
Sarangani Energy Corporation								
Abueva, Denie B.		24,844		24,844				-
Aceberos, Stanly P		5,832		5,832				-
Adlawan, Felipe C. III		126,631	51,279					177,910
Alboroto, Joseph T.	S	220,566		63,736				156,830
Alforque, Roel B.		3,985		3,985				-
Allawan, Aura Shane C.	R	33,294		33,294				-
Almazan, Rodjeck M.		5,039		5,039				-
Amador, Juric E.		53,674		29,735				23,939
Angco, Jose Luis R.		1,213		1,213				-
Aquino, Ralph Benigno S.	S	225,174		62,929				162,245
Arambala, Gilbert Kenn L.		-	10,409					10,409
Arcolar, Warlito B.		31,875		31,875				-
Argut, Mary Joy N.		-	1,500					1,500
Asentista, Al King L.		4,830		1,830				3,000
Asuero, Fritz B.		145,705		69,950				75,755
Aton, Joel E.	M	368,272		329,766				38,506
Bagarinao, Shane L.		224,149		67,319				156,830
Batac, Irene G.		58,692		47,594				11,098
Beduya, Cindy J.		-	6,000					6,000
Beljeda, Efren Caesar C.		205,105		65,019				140,086
Bitong, Jason Silverio B.		-	34,360					34,360
Buctuan, Jaime B. Jr.		-	3,600					3,600
Burgos, Romeo M.		21,228		21,228				-
Butawan, Roxanne B.		8,169	76,166					84,335
Camara, Jimmy D.		180,224						180,224
Campos, Lyh Benzyl C.		236,059		69,543				166,516
Canonigo, Efren Jr.	S	140,086		70,416				69,670
Cantaras, Joel L.		-	22,501					22,501
Carpentero, Ryan P.		-	23,171					23,171
Catapang, Cherrie L.		84,211		72,621				11,590
Cereno, Aiza L.		26,514	56,082					82,596
Chan, Richie P.		88,949		65,818				23,131
Cobol, Christine Juvini A.		38,750		6,337				32,413
Cotanda, Ramil E.		166,037		131,568				34,469
Cuasito, Bernabe R.		-	3,600					3,600
Dabon, Bambi M.		3,197		3,197				-
Dalaguan, Marlon M.		-	332,586					332,586
Dalingay, Michael A.			108,632					108,632
Danao, Arc Dio G.		214,359		61,610				152,749
De Jesus, Cyngrade V.		201,558		61,906				139,652
Defante, Charmagne Joy		250,578		61,245				189,333
Del Rosario, Paul Richard M.	R	24,388		24,388				-
Dela Baryo, Lino L.		-	42,125					42,125
Delos Santos, Joel E.	S	184,006		30,567				153,439
Dema-ala, Leonelo L.	R	-	46,852					46,852
Donato, Benna Jayne A.	R	1,435		1,435				-
Dulay, Geovani S.		25,884		25,884				-
Dulla, Maria Lourdes F.		17,790		17,790				-
Dumaran, Jerson D.		-	50,417					50,417
Enriquez, Emmanuel O.		1,988						1,988
Ensomo, Edsel P.		141,221	208,552					349,773
Esberto, Ian Kesniel		159,548		65,809				93,739



Name and Designation		Beginning Balance	Additions			Current	Non- Current	Ending Balance
				Collected	Written-off			
Eslaban, Stephen Jay B.		315,660		58,037				257,623
Espanol, Benjamin Jr.	S	38,633		27,990				10,643
Espra, Marvin B.		-	1,800					1,800
Estorque, Mary Jane P.	S	236,439		371				236,068
Fababier, Awardson		230,674		62,895				167,779
Flauta, Allan S. Jr.		3,000	8,400					11,400
Flores, Ludy C.		26,690	8,568					35,258
Gacal, Franc Joshua I.		71,724		71,724				-
Gallano, Jayson R.		316		316				-
Gaturian, Kimberly T.		127,488		71,834				55,654
Giang, Victor N.	R	344,265		146,405				197,860
Gloria, Danilo R.		-	12,375					12,375
Honor, Mark Timothy B.		235,722	133,508					369,230
Imalay, Alex C.		-	52,588					52,588
Infante, Russell A.		102,633	26,308					128,941
Labao, Archimedes C.	S	191,605		62,219				129,386
Ladaran, Em B.	S	175,975		64,408				111,567
Lapatha, Marjorie A.		54,600		54,600				-
Lara, Maria Jiji		16,952		16,952				-
Lavina, Allyne Gabrielle C.		13,420		13,420				-
Ledesma, Rochie H.	R	234,323		1,589				232,734
Legaspi, Lovely Jane Abigail F.		268,111	48					268,159
Licanda, Sheryl T.		307,130		56,552				250,578
Linogao, Jeed R.	S	203,409		133,739				69,670
Loking, Nelson C.		240,545		21,174				219,371
Lomongo, Jynelle Q.		-	119,792					119,792
Lopez, Rocher D.	S	219,053		102,802				116,251
Lumongsod, Pio Bryan S.		-	7,116					7,116
Macagcalat, Rajiv S.		2,700						2,700
Madres, Mark Lister C.		426,342		135,814				290,528
Magdaluyo, Ma/ Leia Lara D.		-	1,000					1,000
Maningo, Charmaine Joyce S.		140,086		70,416				69,670
Maningo, Ram Kenneth		120,691		120,691				-
Matampac, Mark Anthony S.		4,200		4,200				-
Mediavilla, Argie C.		214,127		120,578				93,549
Mediavilla, Ariel C.		-	9,964					9,964
Megrenio, Mary Shower M.	S	343,340		138,007				205,333
Megranio, Ram Kenneth		-	46,247					46,247
Megrenio, Renante P.	S	140,086	78,060					218,146
Mercado, Elsa J.	M	2,149						2,149
Micabalo, Geraldine U.		2,796		2,796				-
Molinos, Jose Rey L.		220,566		63,736				156,830
Monterde, Joel F.	R	-	4,800					4,800
Morante, Harley Marvin C.		260,319		60,436				199,883
Moya, Paul Anthony P.		102,969		81,546				21,423
Nale, Charlito D.		12,858	288,617					301,475
Ng, Krystle Shane		2,575	36,281					38,856
Nocos, Joseph C.	O	9,453						9,453
Olvida, Casimiro V.	M	3,365						3,365
Orellanida, Kirbie B.		35,240	44,098					79,338
Orquina, Lilian B.		293,412		57,690				235,722
Others		-	461					461
Palma, Mifel Japely S.		271,706		61,413				210,293
Paramo, Joel G.	S	611		611				-
Parantar Jr., Simplicio B.		80,747		62,954				17,793
Paras, Kahren Bilz A.		22,500		22,500				-
Pasion, Romiro V.	S	91,343		75,069				16,274
Pat, Allan P.		10,656		10,656				-
Pecolados, Randy		-	930					930
Perez, Nonito R.		80,600		80,600				-
Pol, Ran Gel T.		-	2,800					2,800
Porras, Kevin A.		11,379		11,379				-
Puas, Norguiadz S.		9,923						9,923
Ramos, Rona R.		184,006		184,006				-
Rebucas, Hazel D.		-	41,738					41,738
Rosacena, Welmer P.		176,525		100,781				75,744
Sabanal, Erick E.		7,517		7,517				-
Samson, Earl John T.		162,338		68,569				93,769
Sarmiento, Jonald B.		4,681		2,480				2,201
Sayco, Donnard R.		-	25,667					25,667
Seno, Seth S.	S	200,103		123,659				76,444
Serato, Edward P.	S	99,694		73,769				25,925
Silva, Justine Jose Allan P.	S	47,660						47,660
Simon, Jennifer S.		27,835	10,665					38,500
Sobretudo, Angellito O.		11,625	631					12,256
Soterio, Amalia A.		28,125	1,125					29,250
Suarez, Laurenz Julian		-	83,333					83,333
Sugal, Freddie C.		-	19,332					19,332
Sun, Elan Jay L.	R	296,388		91,283				205,105
Tagalogon, Harley J.		163,171		93,501				69,670
Talaugon, Billy D.		220,566		63,736				156,830

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Tapahin, Rannieboy F.	79,421		57,253				22,168
Tapan, Eiffel Germaine G.	R 3,687		3,687				-
Tesoro, Bernalita D.	4,320						4,320
Tito, Janaisha Bai M.	S 210,293		64,588				145,705
Valdehueza, Halley Bryan P.	S 238,317		142,974				95,343
Valderama, Alex N.	S 189,034		62,731				126,303
Visitacion, Jade M.	-	8,400					8,400
Zuriaga, Kristian T.	-	80,446					80,446
	12,885,471	2,232,927	4,923,973	-	-	-	10,194,425

#### ACES TECHNICAL SERVICES CORPORATION

Bambalan, Anna Lyn S.	-	2,500					2,500
	-	2,500	-	-	-	-	2,500

#### SOUTHERN PHILIPPINES POWER CORPORATION

Aquino, Marlon		800	800				-
Basalo, Alexander S.		-	1,379				1,379
Bonayon, Edgardo L.	S	170,945	96,397				74,548
Dusaban, Nathan		16,715	16,715				-
Hamoy, Norma D.	M	4,392	4,392				-
Pacson, Arturo P.	S	35,426	35,426				-
Parreño, Rey S.		3,606	3,606				-
Soreño, Yuri C.		408	408				-
Sevilles, Edgar D.	O	7,241	7,241				-
	239,533	1,379	164,985	-	-	-	75,927

#### WESTERN MINDANAO POWER CORPORATION

Aguilar, Dennis M.		-	277,356				277,356
Aranton, Raymond Roy O.		-	282,228				282,228
Bambalan, Anna Lyn S.		-	2,500				2,500
Banaag, John P.	S	36,167	2,834				33,333
Banaag, Ma. Melissa Margaret A.	S	-	161,376				161,376
Basilio, Albert B.	S	11,667	5,333				17,000
Castro, Rosnina S.		30,916	5,751				36,667
Cabug-os, Danilo C.		44,923	44,923				-
Dagaleas, Judith		21,100	21,100				-
Dauba, Cesar T. Jr.	R	300,011	78,190				221,821
Dimasuhid, Guadencio M. Jr.		7,250	2,341				9,591
Ecla, Ma. Arlene A.		173,244	67,664				105,580
Espinosa, Joy F.	S	75,755	271,200				346,955
Guadalupe, Rogelio Jr. H	R	22,500	22,500				-
Guevara, Jasmine S.		-	596				596
Hongco, Orly C.		15,575	15,575				-
Llorente, Thesalonica T.	R	-	65,650				65,650
Mapanao, Ray-an T.		-	5,333				5,333
Marcelino, Riel M.		-	57,750				57,750
Martinez, Angello Rey A.		-	1,000				1,000
Martinez, Jesse L.		11,927	11,927				-
Monteron, Leonil L.	S	69,670	69,670				-
Others			27,323				27,323
Ramilo, Ruben B.		3,000	3,000				-
Revantad, Amedeo E	S	223,805	58,293				165,512
Sobretudo, Angelito O.		-	5,000				5,000
Soterio, Amalia A.		-	15,000				15,000
Uson, Victor P.		325,000	56,041				268,959
	1,372,510	1,185,737	451,717	-	-	-	2,106,531

#### Conal Holdings Corporation

Others	7,259						7,259
	7,259	-	-	-	-	-	7,259

#### MAPALAD POWER CORPORATION

Abing, Elcid B.		3,092	3,092				-
Alvarico, Ralph Francis Gregory C.		-	17,625				17,625
Ansing, Bernard C.		4,007	4,007				-
Aya-ay, Pableo	R	18,770	18,770				-
Bambalan, Anna Lyn S.		-	2,000				2,000
Blancaflor, Fernando B.		129,672	62,977				66,695

Name and Designation	Beginning Balance	Additions			Current	Non-Current	Ending Balance
			Collected	Written-off			
Cabaluna, Euler S.	-	15,489					15,489
Chabon, Mariel Alexandra	-	278					278
Chambers, Clint Robert L.	R	13,750	4,966				8,784
Dolorican, Judy S.		189,333	66,328				123,005
Feril, Rey Joseph T.		11,619	11,619				-
Imperio, Annie B.		300	300				-
Marquez, Rheena B.		300	300				-
Megrino, Dana G.		-	5,568				5,568
Morito, Leonardo J.	S	38,632	38,632				-
Ranido, Judy Ann T.		-	23,463				23,463
Remocaldo, Arnel D.	R	6,643	6,643				-
Saragena, Julius E.	R	47,153	47,153				-
Tiongco, Librada C		-	27,188				27,188
Yano, Crisanto D.		1,663	1,663				-
		<b>464,935</b>	<b>91,610</b>	<b>266,451</b>	-	-	<b>290,094</b>

#### KAMANGA

Allawan, Maximiano F.	M	13,049	13,049				-
		<b>13,049</b>	-	<b>13,049</b>	-	-	-

#### SIGUIL HYDRO POWER CORP.

Gasque, Mohajirah A.		36,314	36,314				-
Tatel, Michael		-	-				-
Manlangit, Norman		245,659	245,659				-
		<b>281,974</b>	-	<b>281,974</b>	-	-	-

#### APMC

Others		19,675	19,675				-
		<b>19,675</b>	-	<b>19,675</b>	-	-	-

#### BAGO HYDRO RESOURCES CORP.

Ramos, RR		-	123,005				123,005
		-	<b>123,005</b>	-	-	-	<b>123,005</b>

#### SINDANGAN ZAMBO RIVER POWER CORP.

Anna Lyn S. Bambalan		-	2,200				2,200
Cheslie Marielle B. Dugenia		-	2,100				2,100
Francis Ruther C. Icao		-	6,255				6,255
Juan Paolo A. Capin		-	1,327				1,327
Jaime Grace A. Erosido		-	677				677
Joseph E. Buenbrazo		-	23,664				23,664
Jasmine Q. Colong		-	1,900				1,900
Jane S. Manon-og		-	24,707				24,707
John Angelo T. Ruiz		-	316,103				316,103
Llewellyn R. Lisondra		-	216,785				216,785
Robelito C. Paratan		-	1,672				1,672
		-	<b>597,390</b>	-	-	-	<b>597,390</b>

<b>TOTAL</b>		<b>15,533,032</b>	<b>4,402,949</b>	<b>6,313,172</b>	-	-	<b>13,622,808</b>
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**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES****SCHEDULE C: Accounts Receivable from Related Parties which are Eliminated during the****Consolidation of Financial Statements****For the year Ended December 31,2021**

<u>Entity with Receivable Balance</u>	<u>Amount</u>
<b>Alsons Consolidated Resources:</b>	
WESTERN MINDANAO POWER CORPORATION	1,164.80
MAPALAD POWER CORPORATION	19,891,730.34
CONAL HOLDINGS CORP.	290,489,683.04
SIGUIL HYDRO POWER CORP.	2,298,122,990.74
ALSONS RENEWABLE ENERGY CORP.	206,250,000.00
ALSONS LAND CORP.	8,793,979.90
MADE ( MARKET DEVELOPERS) INC.	4,322,184.15
ALSONS THERMAL ENERGY CORP.	450,000,015.05
SINDANGAN ZAMBRO RIVER POWER CORP.	47,809,938.19
ALSONS RENEWABLE ENERGY CORP.	
SIGUIL HYDRO POWER CORP.	370,546,843.00
KALAONG HYDRO POWER CORP.	2,948,019.00
SIGUIL HYDRO POWER CORP.	
KALAONG HYDRO POWER CORP.	2,054,031.00
MPI	13,196.00
BHRC	816,245.00
SINDANGAN ZAMBRO RIVER POWER CORP.	
BHRC	141,478.00
ALSONS THERMAL ENERGY CORP.	
ALSONS CONSOLIDATED RESOURCES INC.	1,349,384.00
ALSONS LAND CORP.	4,178,528.00
KAEDC	1,093,796.00
WESTERN MINDANAO POWER CORP.	(124,663.00)
SINDANGAN ZAMBRO RIVER POWER CORP.	2,269,182.00
SIGUIL HYDRO POWER CORP.	2,100,525.00
APSC	8,212.00
KHPC	3,373.00
CHC	11,997,312.00
BHRC	315,603.00
AREC	3,864.00
<b>Conal Holdings Corporation</b>	
ALSONS CONSOLIDATED RESOURCES INC.	6,144,920.00
SRPI	5,764,705.88
WESTERN MINDANAO POWER CORP.	
MAPALAD POWER CORP.	972,367.26
CONAL HOLDING CORP.	110,719.32
ALTO POWER MANAGEMENT CORP.	3,639.12
SOUTHERN PHILIPPINES POWER CORP.	27,517,393.09
ALSONS THERMAL ENERGY CORP.	755,230.08
BHRC	43,730.89
APSC	181,723.93
KHPC	8,259.58

**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES****SCHEDULE C: Accounts Receivable from Related Parties which are Eliminated during the  
Consolidation of Financial Statements****For the year Ended December 31,2021**

<u>Entity with Receivable Balance</u>	<u>Amount</u>
SARANGANI ENERGY CORP.	2,061,201.39
ALSONS RENEWABLE ENERGY CORP.	3,037.87
SIGUIL HYDRO POWER CORP.	21,491.96
SINDANGAN ZAMBRO RIVER POWER CORP.	690,946.73
 SOUTHERN PHILIPPINES POWER CORP.	
CONAL HOLDING CORP.	871.59
WESTERN MINDANAO POWER CORP.	5,547.42
MAPALAD POWER CORP.	297.83
SIGUIL HYDRO POWER CORP.	11,880.18
KHPC	5,669.00
SINDANGAN ZAMBRO RIVER POWER CORP.	2,080.00
APSC	300.00
 MAPALAD POWER CORP.	
CONAL HOLDING CORP.	9,000.00
WESTERN MINDANAO POWER CORP.	11,399.37
SOUTHERN PHILIPPINES POWER CORP.	1,906.25
ALTO POWER MANAGEMENT CORP.	1,500,348.00
ALSONS THERMAL ENERGY CORP.	850.44
SIGUIL HYDRO POWER CORP.	7,398.38
SARANGANI ENERGY CORP.	84,818.08
SINDANGAN ZAMBRO RIVER POWER CORP.	4,081.60
BHRC	1,745.41
ALSONS CONSOLIDATED RESOURCES INC.	2,742,477.18
APSC	709,278.87
 ALSO POWER MANAGEMENT CORP.	
WESTERN MINDANAO POWER CORP.	1,317.88
SIGUIL HYDRO POWER CORP.	1,766.36
ALSONS CONSOLIDATED RESOURCES INC.	6,322,429.91
 ALSONS LAND CORPORATION	
ALSONS CONSOLIDATED RESOURCES INC.	153,271,394.26
KAEDC	31,909.82
MADE ( MARKET DEVELOPERS) INC.	11,626,105.12
ACR MINING CORPORATION	59,402.24
APIL	3,263,912.34
SOUTHERN PHILIPPINES POWER CORP.	11,943,339.35
WESTERN MINDANAO POWER CORP.	8,050,163.02

**Schedule D: Intangible Assets – Other Assets**  
**For the Year Ended December 31, 2021**

Intangible Assets	Beginning Balance	Deduction	Addition	Amortization	Revaluation	Ending Balance
Computer Software	14,319,713		2,627,220	(2,894,741)		14,052,192
Goodwill	692,187,320					692,187,320
	<b>706,507,033</b>	<b>-</b>	<b>2,627,220</b>	<b>(2,894,741)</b>	<b>-</b>	<b>706,239,512</b>

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES  
Schedule E: Long Term Debt  
For the Year Ended December 31, 2021

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
Parent Company						
Philippine peso-denominated debt:						
Five-year fixed rate corporate note				9,418,639	5,114,183,095	5,123,601,734
Seven-year fixed rate corporate note				1,417,763	769,824,301	771,242,064
CHRIST THE KING COLLEGE		6,002,583				6,002,583
CONGREGATION OF THE MOST HOLY REDEEMER		19,982,024				19,982,024
FRANCISCAN MISSIONARIES OF MARY		4,177,641				4,177,641
MISSIONARY SISTERS OF IMMACULATE HEART		16,048,575				16,048,575
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.		13,843,440				13,843,440
PCCI TIG AS INVESTMENT MANAGER		273,753,723				273,753,723
PCCI TIG AS INVESTMENT GROUP		1,018,883,381				1,018,883,381
RCBC TRUST AND INVESTMENT GROUP		19,982,024				19,982,024
SBI MARINA SHOE EXCHANGE		39,964,047				39,964,047
SHOECAT, INC.		13,320,350				13,320,350
ST. AUGUSTINE'S SCHOOL INC.		7,045,329				7,045,329
ST. LOUIS SCHOOL, INC.		11,844,985				11,844,985
STELLA MARIS COLLEGE		125,686,928				125,686,928
STERLING BANK OF ASIA TRUST GROUP			7,822,120			7,822,120
BANSON CARMELITA TANIANGCO OR PASTELERO ANA FELISA BANSON			4,888,825			4,888,825
PECOM TRUST GROUP AS TRUSTEE FOR PMT 500005			6,844,355			6,844,355
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000482			4,888,825			4,888,825
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001988			13,688,710			13,688,710
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2345			79,198,964			79,198,964
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2290			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008136			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000410			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800008265			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530128			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530130			4,888,825			4,888,825
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008326			22,488,595			22,488,595
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236434			4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 968862			12,222,062			12,222,062
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239913			9,288,767			9,288,767
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239921			4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540124792			4,888,825			4,888,825
UCPB TBG AS IM FOR 21 010920			5,573,260			5,573,260
UCPB TBG AS IM FOR 19 009830			9,093,214			9,093,214
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310029367			1,759,977			1,759,977
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310028590			3,226,624			3,226,624
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310026534			7,822,120			7,822,120
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310026901			13,786,486			13,786,486
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310026878			1,759,977			1,759,977
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310027512			4,693,272			4,693,272
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310029378			1,759,977			1,759,977
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310018473			2,542,189			2,542,189
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310027001			977,765			977,765
PUZON MIGUEL YAP			1,955,530			1,955,530
CRISTOBAL MARILOU CARRERA OR CRISTOBAL OSCAR ABAD			3,911,060			3,911,060
SAMANIEGO AMELIA RIVERA OR SAMANIEGO CELSO LOMBO			977,765			977,765
FLORES PATRICIA GUTIERREZ OR FLORES EDILBERTO HERNANDEZ			1,466,647			1,466,647
ROJAS EDUARDO CARRILLO OR ROJAS ENRICO LUIS DALUPAN			3,911,060			3,911,060
QUAMBAO CECILIA CRISTINA G OR QUAMBAO MIKAELA G			3,911,060			3,911,060
TAN MARITIL G OR QUAMBAO CARLO ISAIAH G			488,882			488,882
NAVARRO MARIA TERESITA MAULEON			7,333,237			7,333,237
SY SUY KAT YU OR SY VICTORIA CO OR SY GIOVANNI JOHN CO			3,911,060			3,911,060
CHAN HUAN KIAM LEE OR CHAN TIENTO ALVAHADO						
CANTO RHODORA ZAMORA OR CANTO LEANDRO GABRIEL ZAMORA						
DEL ROSARIO MARIA LUZ UV OR EXIOMO LARRY VENTURA OR EXIOMO KEIKO KIANA EXPINUEVA			977,765			977,765

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
ALCANTARA ANTONIO MIGUEL BARCIA						9,777,650			9,777,650
GOBENCION MA BEATRIZ LUISA REYES						977,765			977,765
MANAGEMENT ASSOCIATION OF THE PHILIPPINES AGRIBUSINESS AND COUNTRYSIDE DEVELOPMENT FOUNDATION INC						977,765			977,765
ANTRIILA RESOURCES CORPORATION						2,933,295			2,933,295
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 00131002767						87,998,849			87,998,849
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024191						4,888,825			4,888,825
STERLING MONEY MARKET FUND						7,333,237			7,333,237
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000897						488,882			488,882
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001221						1,955,530			1,955,530
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001777						1,955,530			1,955,530
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001117						488,882			488,882
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000884						2,933,295			2,933,295
BENEFICIAL LIFE INSURANCE COMPANY INC						97,776,498			97,776,498
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9094						9,777,650			9,777,650
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9147						977,765			977,765
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9148						1,955,530			1,955,530
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9197						1,955,530			1,955,530
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9268						4,888,825			4,888,825
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8540						19,555,300			19,555,300
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9259						48,888,249			48,888,249
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239867						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540232765						1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239182						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 100001215						9,777,650			9,777,650
RCBC TIG AS INVESTMENT MANAGER OF TA 100001246						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101512						1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540077409						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 900003060						3,911,060			3,911,060
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239875						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090804						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143150						7,822,120			7,822,120
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099569						65,510,254			65,510,254
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239158						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236911						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239883						3,422,177			3,422,177
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026324						1,466,647			1,466,647
RCBC TIG AS INVESTMENT MANAGER OF TA 51540142200						782,212			782,212
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138505						879,988			879,988
RCBC TIG AS INVESTMENT MANAGER OF TA 51540144599						782,212			782,212
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239891						782,212			782,212
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126345						2,444,412			2,444,412
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099097						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540141492						1,173,318			1,173,318
RCBC TIG AS INVESTMENT MANAGER OF TA 100000102						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 900000042						4,986,601			4,986,601
RCBC TIG AS INVESTMENT MANAGER OF TA 51540230606						10,168,756			10,168,756
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239980						5,084,378			5,084,378
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101482						2,444,412			2,444,412
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125616						1,466,647			1,466,647
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239999						3,031,071			3,031,071
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098906						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143932						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540230060						4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540134145						9,777,650			9,777,650
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139072						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228415						2,053,306			2,053,306
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098376						13,297,604			13,297,604
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143428						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540127139						3,911,060			3,911,060
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139447						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540094400						977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540134195						1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540045280						9,973,203			9,973,203
RCBC TIG AS INVESTMENT MANAGER OF TA 968986						19,555,300			19,555,300



Title of Issue and Type of Obligation					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
RCBC TIG AS INVESTMENT MANAGER OF TA 968862					19,555,300			19,555,300
RCBC TIG AS INVESTMENT MANAGER OF TA 100000893					1,173,318			1,173,318
RCBC TIG AS INVESTMENT MANAGER OF TA 100001103					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540034718					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090456					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540147369					2,444,412			2,444,412
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138815					1,466,647			1,466,647
RCBC TIG AS INVESTMENT MANAGER OF TA 900000423					488,882			488,882
RCBC TIG AS INVESTMENT MANAGER OF TA 100000083					9,190,991			9,190,991
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240016					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51512139765					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540047623					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540226951					488,882			488,882
RCBC TIG AS INVESTMENT MANAGER OF TA 51540094399					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540237994					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125691					488,882			488,882
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101830					488,882			488,882
RCBC TIG AS INVESTMENT MANAGER OF TA 100000422					2,151,083			2,151,083
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102454					5,866,590			5,866,590
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239964					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239972					1,368,871			1,368,871
RCBC TIG AS INVESTMENT MANAGER OF TA 100000201					2,933,295			2,933,295
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020					6,355,472			6,355,472
RCBC TIG AS INVESTMENT MANAGER OF TA 100000995					9,777,650			9,777,650
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150475					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540147490					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540145218					4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 5154095148					4,986,601			4,986,601
RCBC TIG AS INVESTMENT MANAGER OF TA 51540137916					5,866,590			5,866,590
RCBC TIG AS INVESTMENT MANAGER OF TA 51540135719					9,777,650			9,777,650
RCBC TIG AS INVESTMENT MANAGER OF TA 5154040661					2,933,295			2,933,295
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239921					5,084,378			5,084,378
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150270					2,933,295			2,933,295
RCBC TIG AS INVESTMENT MANAGER OF TA 100001187					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239956					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 5154070382					4,888,825			4,888,825
RCBC TIG AS INVESTMENT MANAGER OF TA 51540094988					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100737					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138722					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126736					1,955,530			1,955,530
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239905					977,765			977,765
RCBC TIG AS INVESTMENT MANAGER OF TA 51512026545					586,659			586,659
RCBC TIG AS INVESTMENT MANAGER OF TA 51540088869					488,882			488,882
RCBC TIG AS INVESTMENT MANAGER OF TA 5154007508					1,662,200			1,662,200
RCBC TIG AS INVESTMENT MANAGER OF TA 100001300					4,399,942			4,399,942
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335					1,466,647			1,466,647
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2353					1,466,647			1,466,647
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2395					48,888,249			48,888,249
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2345					488,882			488,882
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280					977,765			977,765
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2372					19,555,300			19,555,300
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2304					15,644,240			15,644,240
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008241					3,911,060			3,911,060
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008243					6,844,355			6,844,355
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320008357					1,075,541			1,075,541
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530092					879,988			879,988
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530087					2,444,412			2,444,412
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180002062					1,075,541			1,075,541
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000961					1,075,541			1,075,541
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530199					1,466,647			1,466,647
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030310002026					1,955,530			1,955,530
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008464					1,075,541			1,075,541
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008091					1,466,647			1,466,647
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008454								

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 030180008148		1,955,530			1,955,530
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000405		1,368,871			1,368,871
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030004000004		1,759,977			1,759,977
CITYSTATE SAVINGS BANK TRUST IMA093200000802		977,765			977,765
CITYSTATE SAVINGS BANK TRUST IMA093220000035		977,765			977,765
CITYSTATE SAVINGS BANK TRUST TA0931200000021		977,765			977,765
CITYSTATE SAVINGS BANK TRUST TA093120000045		1,466,647			1,466,647
CITYSTATE SAVINGS BANK TRUST TA093120000113		1,466,647			1,466,647
CITYSTATE SAVINGS BANK TRUST TA093120000168		977,765			977,765
CITYSTATE SAVINGS BANK TRUST TA093120000333		488,882			488,882
UCPB TBG AS IM FOR 18 009547		12,808,721			12,808,721
UCPB TBG AS IM FOR 21 010976		4,302,166			4,302,166
UCPB TBG AS IM FOR 19 010011		8,506,555			8,506,555
UCPB TBG AS IM FOR 12 5132		879,988			879,988
UCPB TBG AS TRUSTEE FOR 05 0161		879,988			879,988
CONGREGATION OF THE MOST HOLY REDEEMER		21,510,830			21,510,830
SOCIAL SECURITY SYSTEM		164,264,517			164,264,517
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030005000005		53,777,074			53,777,074
CITYSTATE SAVINGS BANK TRUST TA093120000205		977,765			977,765
CITYSTATE SAVINGS BANK TRUST TA093120000296		977,765			977,765
CITYSTATE SAVINGS BANK TRUST TA093120000319		488,882			488,882
CITYSTATE SAVINGS BANK TRUST TA093120000340		488,882			488,882
CITYSTATE SAVINGS BANK TRUST TA093120000302		488,882			488,882
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9202		50,723,923			50,723,923
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9786		1,435,583			1,435,583
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9112		5,742,331			5,742,331
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8536		957,055			957,055
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9255		1,435,583			1,435,583
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9256		957,055			957,055
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9768		5,742,331			5,742,331
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9018		957,055			957,055
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8166		957,055			957,055
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9285		1,914,110			1,914,110
PBCOM TRUST GROUP AS TRUSTEE FOR PMT 500011		957,055			957,055
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2215		957,055			957,055
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2279		957,055			957,055
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280		478,528			478,528
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2281		1,914,110			1,914,110
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2323		5,933,742			5,933,742
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2334		1,435,583			1,435,583
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2353		478,528			478,528
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2395		6,699,386			6,699,386
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2401		1,052,761			1,052,761
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2406		1,052,761			1,052,761
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2407		957,055			957,055
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360		957,055			957,055
RCBC TIG AS INVESTMENT MANAGER OF TA 100000972		14,355,827			14,355,827
RCBC TIG AS INVESTMENT MANAGER OF TA 900000051		4,785,276			4,785,276
RCBC TIG AS INVESTMENT MANAGER OF TA 900000052		9,570,551			9,570,551
RCBC TIG AS INVESTMENT MANAGER OF TA 51540149833		2,105,521			2,105,521
RCBC TIG AS INVESTMENT MANAGER OF TA 51540155310		957,055			957,055
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203		5,742,331			5,742,331
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090804		2,871,165			2,871,165
RCBC TIG AS INVESTMENT MANAGER OF TA 51540272934		1,052,761			1,052,761
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126345		9,570,551			9,570,551
RCBC TIG AS INVESTMENT MANAGER OF TA 900000356		7,847,852			7,847,852
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241519		1,435,583			1,435,583
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241519		1,435,583			1,435,583
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241519		1,435,583			1,435,583
RCBC TIG AS INVESTMENT MANAGER OF TA 100000102		2,392,638			2,392,638
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102726		7,177,914			7,177,914
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139285		2,105,521			2,105,521
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100730		1,914,110			1,914,110
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203		5,550,920			5,550,920

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		
				9,570,551		
				4,785,276		
				957,055		
				1,914,110		
				9,570,551		
				957,055		
				4,785,276		
				478,528		
				478,528		
				478,528		
				1,435,583		
				478,528		
				957,055		
				957,055		
				1,914,110		
				1,914,110		
				20,098,158		
				2,871,165		
				957,055		
				4,785,276		
				9,570,551		
				9,570,551		
				14,355,827		
				478,528		
				478,528		
				478,528		
				3,828,221		
				3,158,282		
				2,201,227		
				669,939		
				957,055		
				622,086		
				478,528		
				478,528		
				478,528		
				1,914,110		
				957,055		
				957,055		
				478,528		
				1,052,761		
				1,914,110		
				2,296,932		
				478,528		
				861,350		
				1,914,110		
				3,253,987		
				3,636,810		
				478,528		
				1,914,110		
				1,914,110		
				478,528		
				1,914,110		
				478,528		
				1,914,110		
				622,086		
				1,914,110		
				2,871,165		
				3,349,693		
				1,914,110		
				1,914,110		
				1,914,110		
				478,528		
				2,584,049		
				1,435,583		
				9,570,551		
				9,857,668		
				957,055		

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
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024191		7,656,441			7,656,441
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310026534		7,656,441			7,656,441
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310028956		7,656,441			7,656,441
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310028834		3,828,221			3,828,221
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024212		3,828,221			3,828,221
PBB TIC AS TRUSTEE FAO TA NO 001172000027		3,828,221			3,828,221
PBB TIC AS TRUSTEE FAO TA NO 001172027213		861,350			861,350
PBB TIC AS TRUSTEE FAO DIAMOND FUND		478,528			478,528
THE CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS INC		16,769,937			16,769,937
MULTINATIONAL INVESTMENT BANCORPORATION		26,797,544			26,797,544
SBI MARINA SHOE EXCHANGE CORP		11,484,662			11,484,662
SHOECAT INC		11,484,662			11,484,662
QUIAMBAO CECILIA CRISTINA GRAFILO OR QUIAMBAO MIKAELA GRAFILO OR TAN JOMARI JESUS GRAFILO		4,785,276			4,785,276
TAN MARIMIL GRAFILO OR QUIAMBAO CARLO SAMAH GRAFILO		4,785,276			4,785,276
BILLONES JOSEPHINE MANINGO OR BILLONES ANAMAE MANINGO		2,871,165			2,871,165
SAMANIEGO AMELIA RIVERA OR SAMANIEGO CELSO LOMBO		2,871,165			2,871,165
CHAN HUAN XIAN LEE OR CHAN NENITA ALVARADO		2,871,165			2,871,165
BANK OF MAKATI A SAVINGS BANK INC		71,779,136			71,779,136
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030005000005		3,636,810			3,636,810
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320530262		5,742,331			5,742,331
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001320026989		4,402,454			4,402,454
STERLING BANK OF ASIA TRUST GROUP AS TRUSTEE OF TA NO 120 000638 STERLING BANK OF ASIA RETIREMENT PLAN		9,570,551			9,570,551
ATEC's Subsidiaries					
Sarangani Energy Corporation					
Thirteen and a half year peso denominated debt floating rate debt - SEC 1			921,393,502	4,525,256,512	5,446,650,014
Ten and a half year peso denominated floating rate debt - SEC 2			780,797,921	8,464,917,756	9,245,715,677
	1,570,555,030	1,943,104,063	1,713,027,825	18,874,181,664	24,100,848,582

**ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES**  
**Supplementary Schedules**

**Schedule F: Indebtedness to related parties**

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
<b>NONE</b>		
-	-	

**ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES**  
**Schedules G- Guarantees of securities of other issuers**

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is filed	Title of Issue of each class of Securities Guaranteed	Total Amount of Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
--	---	--	---	---------------------

N/A

## Schedule H: Capital Stock

Title of Issue (2)	Number of Share authorized	Number of shares issued and outstanding	Number of shares reserved for options, Warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees (as of December 31, 2021)	Others
		at shown under related balance sheet caption				
Common	11,945,000,000	6,291,500,000	None	5,031,047,697	100,406	1,260,351,897
Preferred	5,500,000,000	52,983,333		52,983,333		
	17,445,000,000	6,344,483,333		5,084,031,030	100,406	1,260,351,897

**Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2020.**

- 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, 2021**

		Number of Shares			
		% to Total I/O Shares	Common	% to Total I/O Shares	Preferred
Number of Shares Issued and Outstanding			6,291,500,000		52,983,333
DIRECTORS:					
NICASIO I. ALCANTARA		0.0000%	100		
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		
HONORIO A. POBLADOR III		0.0000%	100		
JACINTO C. GAVINO JR.		0.0000%	1		
JOSE BEN R. LARAYA		0.0000%	100		
THOMAS G. AQUINO		0.0000%	100		
SUB - TOTAL		0.0016%	100,406		
OFFICERS:					
NICASIO I. ALCANTARA		PRESIDENT	0.0000%	-	
TIRSO G. SANTILLAN JR.		EXEC. VICE PRESIDENT	0.0000%	-	
EDITHA I. ALCANTARA		TREASURER	0.0000%	-	
ALEXANDER BENHUR M. SIMON		GROUP CHIEF FINANCIAL OFFICER	0.0000%	-	
ANA MARIA MARGARITA A. KATIGBAK		CORPORATE SECRETARY	0.0000%	-	
ANGEL M. ESGUERRA III		ASST. CORPORATE SECRETARY	0.0000%	-	
SUB - TOTAL			0.0000%	-	
PRINCIPAL STOCKHOLDERS:					
ALSONS CORPORATION			41.2100%	2,592,524,072	100.0000% 52,983,333
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	52,983,333
TOTAL SHARES HELD BY DIRECTORS, OFFICERS, PRINCIPAL STOCKHOLDERS & AFFILIATES					
			79.9716%	5,031,148,103	100.0000% 52,983,333
TOTAL NUMBER OF SHARES OWNED BY THE PUBLIC					
			20.0284%	1,260,351,897	-



**ALSONS CONSOLIDATED RESOURCES, INC.**

2286 Chino Roces Ave., Makati City

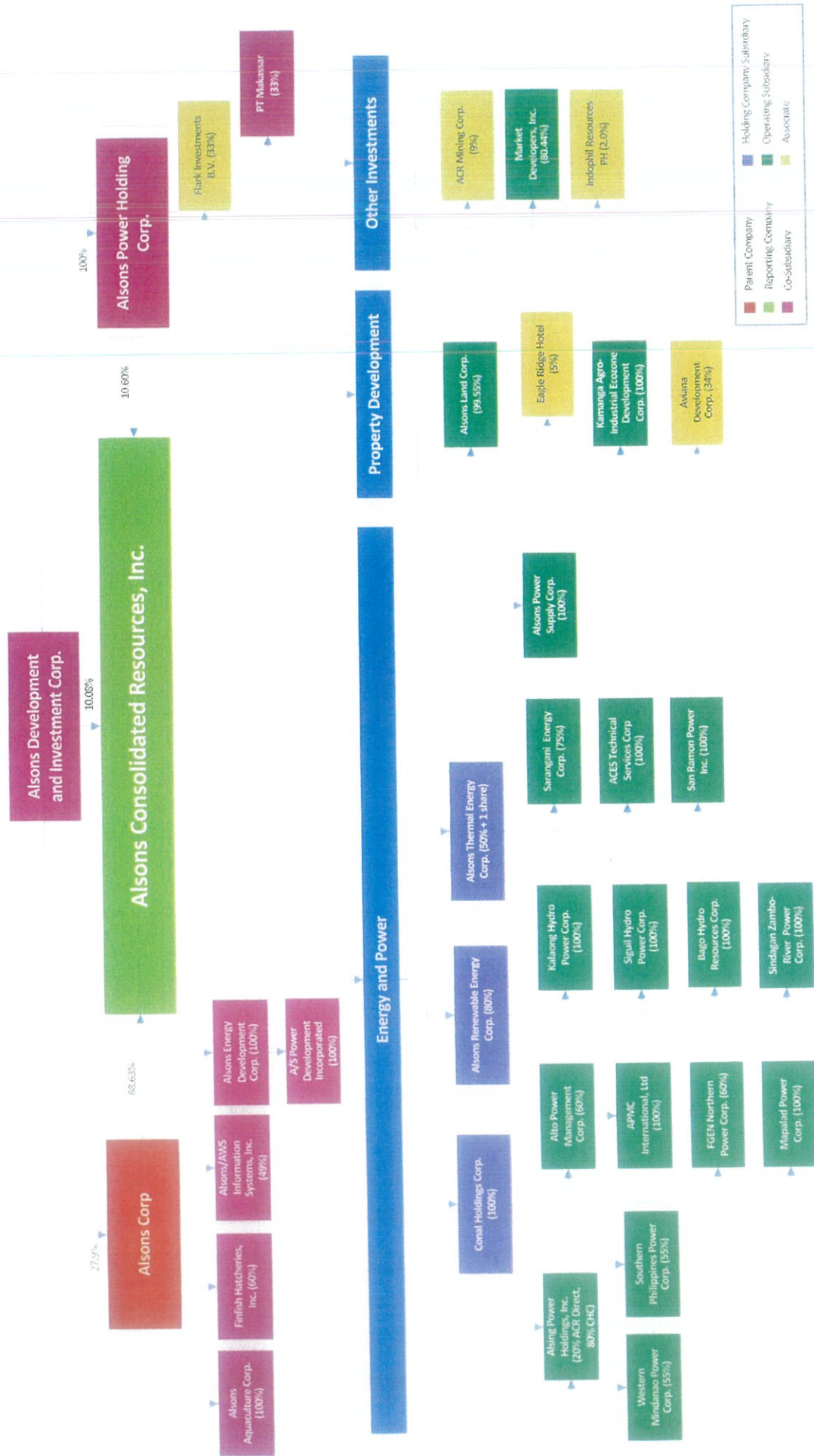
**Schedule of Retained Earning Available for Dividend Declaration**

**December 31,2021**

*Figures based on  
Parent Company  
Audited Financial  
Statements)*

Unappropriated Retained Earnings, beginning	Php76,611,228
Add: Net income earned during the year	205,046,662
Less: Dividends declared during the year	<u>(130,230,000)</u>
Retained Earnings Available for dividends declaration as at December 31,2021	<u><b>Php151,427,890</b></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.*



## **EXHIBIT 3**

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### **ADDITIONAL SCHEDULES/ BREAKDOWN OF ACCOUNTS**

**DECEMBER 31, 2021**

**Additional Schedules**  
**Balance Sheet**

**1. Accounts Receivable: Breakdown of Accounts Receivable as of December 31, 2021**

Accounts Receivable – Trade	2,322,444,353
Advances to Affiliates / Joint Ventures	2,450,606,297
Retention Receivable	14,655,481
Contract Assets	50,532,519
<i>Accounts Receivable – Others:</i>	
Advances to officers and employees	13,622,808
Advances for Business expenses	21,061,999
Miscellaneous and other Receivables	65,869,160
Total Accounts Receivable	4,938,792,617
Less: Allowance for doubtful accounts	(104,931,938)
Accounts Receivable – Net	<b>Php4,833,860,679</b>

**2. Prepaid Expenses and Other Current Assets as of December 31, 2021**

Deposits in IRA	896,985,111
Input Tax	21,703,838
Creditable Withholding Tax	46,011,072
Other Prepayments	279,615,899
	<b>Php1,244,315,920</b>

**3. Accounts Payable and Accrued Expenses as of December 31, 2021**

Accounts Payable	Php1,441,410,148
Interest Payable	274,995,147
Output tax and withholding tax payable	249,091,451
Other accrued expenses	537,217,861
Advances from customers	35,210,284
Other current liabilities	1,704,742,501
<b>Total Accounts Payable &amp; Accrued Expenses</b>	<b>Php4,242,667,392</b>

## Income Statement

### 1. Breakdown of Revenues and Cost of Goods Sold and Services (December 31,2021)

	<u>Revenues</u>		<u>Cost</u>	
	<u>Continuing</u>	<u>Discontinued</u>	<u>Continuing</u>	<u>Discontinued</u>
Real Estate				
Services	10,054,510,737		6,255,304,967	
Total	Php10,054,510,737	Php0	Php6,255,304,967	Php0

### 2. Operating and Administrative Expenses for the year ending December 31, 2021

	<u>Continuing</u>	<u>Discontinued</u>
Personnel costs	Php259,230,157	
Others	117,989,127	
Depreciation and amortization	67,321,909	
Taxes and licenses	112,545,702	
Outside services	60,991,647	
Utilities	25,226,850	
Transportation and travel	21,848,871	
Telephone, telegram and postage	1,509,536	
Directors' and executive fees and bonuses	3,300,000	
Supplies	2,503,223	
Insurance	1,238,756	
Representation	4,333,541	
Commissions	-	
Total	Php678,039,319	Php0

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

Financial KPI	Definition	Years Ended December 31	
		2021	2020
<b>Liquidity</b>			
Current Ratio / Liquidity Ratio	Current Assets	1.18:1	1.06:1
	Current Liabilities		
<b>Solvency</b>			
Debt to Equity Ratio/Solvency Ratio	transaction costs)+Loans Payable+Short-term Notes+Accrued Interest	2.57:1	2.67:1
	(Equity attributable to Parent Net of Reserves)		
<b>Interest Rate Coverage Ratio</b>			
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes and Depreciation	2.74:1	2.82:1
	Interest Expense		
<b>Profitability Ratio</b>			
Return on Equity	Net Income	7%	12%
	Stockholders' Equity		
<b>Asset-to-Equity Ratio</b>			
Asset-to-Equity Ratio	Total Assets	2.66	2.96
	Total Equity		

## EXHIBIT 4

### SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc. had the following consolidated subsidiaries as of December 31, 2021:

<u>Name</u>	<u>Jurisdiction</u>
Alsons Land Corporation	Philippines
Conal Holdings Corp.	Philippines
Alsons Thermal Energy Coro.	Philippines
Alsons Renewable Energy Corp.	Philippines

Subsidiaries	Nature of business	Percentage of Ownership			
		2021		2020	
		Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	100.00	—
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	—	55.00	—	55.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
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
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	—
Bago Hydro Resources Corporation	Power generation	—	80.00	—	—
Alsons Thermal Energy Corporation (ATEC)	Power generation	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
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
Alsons Land Corporation (ALC)	Real estate	99.55	—	99.55	—
MADE (Markets Developers), Inc.	Distribution	80.44	—	80.44	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	—	100.00	—
Alsons Power Supply Corporation (APSC)	Customer Service	100.00	—	100.00	—

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**Alsons Consolidated Resources, Inc.  
and Subsidiaries**

**Reports on SEC Form 17-C filed during the Year  
Ended December 31, 2021**



**ALSONS CONSOLIDATED RESOURCES, INC.**  
**SEC Form 17-C**

Summary of Company Disclosures filed to the Office of the Philippine Stock Exchange (PSE), Securities and Exchange Commission (SEC) and Philippine Dealing & Exchange Corporation (PDEX) during the year ended *31 December 2021*:

<b>Date Filed</b>	<b>Description</b>
January 14, 2021	Report on Attendance of ACR Directors in 2020 Board Meetings.
January 15, 2021	A Press Release of the Company entitled "Alsons Prospective 2021 Commercial Paper Issuance Obtains A+ Issuer Credit Rating"
January 25, 2021	A reply to the PSE for clarification of the news articles entitled "Alsons allots P6.54 billion for four projects" posted in the Business World (Online Edition) on January 25, 2021 confirming the contents of the article.
February 18, 2021	A Press Release of the Company entitled "Alsons Announces Top-Level Corporate Movements"
February 18, 2021	An advisory on the resignation of Mr. Conrado Rafael C. Alcantara as Director; Retirement of Mr. Tomas I. Alcantara as Chairman of the Board of Directors and President and Election of Nicasio I. Alcantara as Director, Chairman of the Board of Directors and President; Appointment of Mr. Antonio Miguel B. Alcantara as Chief Investments and Strategy Officer; and appointment of Mr. Alexander Benhur M. Simon as the new Vice President and Chief Finance Officer.
February 23, 2021	Report in compliance with the SEC Memorandum Circular No. 28, Series of 2020 which requires ACR to submit a valid official electronic email address and a valid official cellular phone number.
March 18, 2021	An advisory on the results of the Board of Directors meeting for the approval of the Audited Financial Statements; Setting the date of the Virtual Annual Stockholders' Meeting on 20 May 2021 and the record date on 16 April 2021; and a Press Release entitled "Alsons Income Grows in 2020 driven by Continuous Power Plant Operations amidst Pandemic".
May 14, 2021	A Press Release of the Company entitled "Alsons Income Rises in Q1 2021"
May 20, 2021	The Board of Directors approved the Declaration of Cash Dividends out of the unrestricted retained earnings as of 31 December 2020; Disclosure on the Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on 20 May 2021 by remote communication.
June 28, 2021	Disclosure on the Order of Registration and Certificate of Permit to Sell issued by the Securities and Exchange Commission-Markets and Securities Regulation Department covering the 1st tranche of commercial paper program.
July 16, 2021	A Press Release of the Company entitled "Alsons lists P1.4B Commercial Papers with PDEX"
July 23, 2021	An advisory on the resignation of Mr. Tirso G. Santillan, Jr. as a member of the Audit, Risk, Oversight and Related Party Transaction Committee replaced by Mr. Thomas G. Aquino as the new member.
August 12, 2021	A Press Release of the Company entitled "Alsons Posts Earnings of 871 million in the First Half of 2021"
November 4, 2021	Disclosure on the Certificate of Permit to Offer Securities for Sale issued by the Securities and Exchange Commission-Markets and Securities Regulations Department covering the 2 <sup>nd</sup> tranche of ACR Commercial Paper Program.
November 12, 2021	A Press Release of the Company entitled "Alsons lists P600 million second tranche of Commercial Papers with PDEX"
November 16, 2021	A Press Release of the Company entitled "Alsons Posts Earnings of P1.14 billion in first 9 months of 2021"
December 3, 2021	Advisement letter on the Certificate of Attendance of the Company's Directors and Officers to the Corporate Governance Webinar

*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**

<b>Form/Report Type</b>	Attendance of ACR Directors in 2020 Board Meetings
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<b>Report Period/Report Date</b>	Jan 14, 2021
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<b>Description of the Disclosure</b>
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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 "ACR")  
2nd Floor, Alsons Building, 2286 Chino Roces Avenue Makati City  
1231 Metro Manila Philippines  
Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077  
Website: www.acr.com.ph

January 13, 2021

Securities & Exchange Commission

Attn.: Director Rachel Esther J. Guntang-Remalante

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

9<sup>th</sup> 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Re: **Attendance of Directors in 2020 Board Meetings**

Gentlemen:

In compliance with Manual on Corporate Governance of Alsons Consolidated Resources, Inc. (the "Company"), we hereby formally advise the Commission of the following:

1. The attendance of the directors of the Company in board meetings held during the calendar year 2020 is summarized below.

	Name	Date of Election/ Reelection	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Board Chairman	Tomas I. Alcantara	July 23, 2020	6	6	100%
Board Vice-Chair	Editha I. Alcantara	July 23, 2020	6	6	100%
Board Member	Alejandro I. Alcantara	July 23, 2020	6	6	100%
Board Member	Arturo B. Diago, Jr.	July 23, 2020	6	6	100%
Board Member	Tirso G. Santillan, Jr.	July 23, 2020	6	6	100%

Board Member	Conrado Rafael C. Alcantara	July 23, 2020	6	6	100%
Board Member	Honorio A. Poblador III	July 23, 2020	6	6	100%
Board Member	Ramon T. Diokno	July 23, 2020	6	6	100%
Independent Director	Jose Ben R. Laraya	July 23, 2020	6	6	100%
Independent Director	Jacinto C. Gavino, Jr.	July 23, 2020	6	6	100%
Independent Director	Thomas G. Aquino	July 23, 2020	6	6	100%

2. The Board of Directors of the Company held its meetings in the year 2020, specifically on the following dates:

<i>Date of Meeting</i>	<i>Meeting Type</i>
March 19, 2020	Regular
July 9, 2020	Regular
July 23, 2020	Organizational
August 20, 2020	Regular
November 13, 2020	Regular
December 10, 2020	Special

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%) of all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors.
4. The Company held its annual stockholders' meeting on July 23, 2020. The Chairman of the Board and President and the Chairman of the Audit Committee likewise attended the said annual stockholders' meeting of the Company on July 23, 2020.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,



Angel M. Esguerra, III  
Corporate Information Officer &  
Assistant Corporate Secretary

**Annex “A”**  
**Alsons Consolidated Resources, Inc.**  
**Meetings of the Board of Directors for the Year 2020**

Date of Special and Regular Board Meetings [Legend: Present (√), Absent (x)]						
---	--	--	--	--	--	--

	March 19	July 09	July 23	Aug 20	Nov 13	Dec 10
Names of Directors	Regular	Regular	Organizational	Regular	Regular	Special
1. Tomas I. Alcantara	√	√	√	√	√	√
2. Editha I. Alcantara	√	√	√	√	√	√
3. Alejandro I. Alcantara	√	√	√	√	√	√
4. Arturo B. Diago, Jr.	√	√	√	√	√	√
5. Tirso G. Santillan, Jr.	√	√	√	√	√	√
6. Conrado Rafael C. Alcantara	√	√	√	√	√	√
7. Honorio A. Poblador III	√	√	√	√	√	√
8. Ramon T. Diokno	√	√	√	√	√	√
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

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Jan 15, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

"Alsons Prospective 2021 Commercial Paper Issuance Obtains A+ Issuer Credit Rating".

**Background/Description of the Disclosure**

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
"Alsons Prospective 2021 Commercial Paper Issuance Obtains A+ Issuer Credit Rating".

**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 "ACR")  
2nd Floor-Alsons Building 2286 Chino-Roces Ext., (formerly P.  
Tamo Extension,) Makati City 1231 Metro Manila Philippines  
Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

January 15, 2021

Securities & Exchange Commission

Attn.: Atty. Vicente Graciano P. Felizmenio, Director  
Markets and Securities Regulations 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  
9<sup>th</sup> 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  
29/F, BDO Equitable Tower,  
8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons Prospective 2021 Commercial Paper Issuance Obtains A+ 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-C2021*





Refer to: Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.  
[psagun@alcantaragroup.com](mailto:psagun@alcantaragroup.com)

## **Alsons Prospective 2021 Commercial Paper Issuance Obtains A+ 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 from the Philippine Rating Services Corporation (PhilRatings) for the proposed first tranche (₱2.0 billion) of the Company’s new Commercial Papers (CP) Program of up to ₱3.0 billion that ACR is targeting for listing and issuance within the year, pending approval by the Securities and Exchange Commission (SEC). ACR’s previous CP issuance of up to ₱2.5 billion- registered with the SEC in 2018, was also assessed by PhilRatings with a similar rating grade.

According to PhilRatings, a PRS A plus (corp.) rating means the Company has an above average capacity to meet its financial commitments relative to other Philippine corporates. Among the factors cited by the credit rating agency 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 the ACR CP issuance is assigned when a rating is likely to be maintained or to remain unchanged in the next twelve months.

ACR Deputy Chief Financial Officer Philip E.B. Sagun said, “We are glad that PhilRatings has demonstrated anew its confidence in ACR with a PRS A plus rating for our new CP Program. We have once more deemed it favorable to tap the short-term capital markets for our working capital needs as we continue to pursue power projects that we hope will contribute to the economic recovery of our country, by helping create new jobs and stimulate the local economies in our project locations and in the areas where we operate.”

The group is currently building a ₱4.5 billion 14.5 – mega-watt (MW) run-of -river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province – the company’s first foray into renewable energy. The Siguil Hydro power plant is expected to begin commercial operations in 2022. Another project in the company’s pipeline is the ₱16 billion 105-MW San Ramon Power, Inc. baseload coal-fired power plant in Zamboanga City, which is slated to begin operations in 2024.

For the long-term the company is slated to focus on renewables with at least seven more run- of -river hydroelectric plants in various stages of development. The next two hydro facilities in the pipeline are the 22 MW Siayan (Sindangan) Hydro plant in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental- the company’s first power venture outside of Mindanao.

ACR—the first private sector power generator in Mindanao –currently has a portfolio of four power facilities with an aggregate capacity of 468 MW serving over eight million people in 14 cities and 11 provinces including key urban centers such as Cagayan de Oro, General Santos, Iligan, and Zamboanga 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)  
Jan 25, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-13 - Clarification of News Reports**  
***References: SRC Rule 17 (SEC Form 17-C) and***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

Clarification to news article entitled "Alsons allots P6.54 billion for four projects"

**Source** BusinessWorld (Online Edition)

**Subject of News Report** "Alsons allots P6.54 billion for four projects"

**Date of Publication** Jan 25, 2021

**Clarification of News Report**

We reply to your email dated January 25, 2021 with regard to the attached news article entitled "Alsons allots P6.54 billion for four projects" posted in BusinessWorld (Online Edition) on January 25, 2021,

**Other Relevant Information**

Please see attached

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



**Alsons Consolidated Resources, Inc.**

Alsons Building, 2286 Chino Roces Avenue  
1231 Makati City, Philippines  
Tel. Nos. (632) 8982-3000  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

January 25, 2021

Philippine Stock Exchange, Inc.  
Listing and Disclosure Department  
9<sup>th</sup> Floor, Tower, BGC  
Taguig City, Philippines

Attention : **MS. JANET A. ENCARNACION**  
Head Disclosure Department

Subject : Alsons Consolidated Resources, Inc.  
News article in the Business World Online

Dear Madam:

We reply to your email dated January 25, 2021 with regard to the attached news article entitled "Alsons allots P6.54 billion for four projects" posted in BusinessWorld (Online Edition) on January 25, 2021, which reported, among others, the following:

"ALCANTARA-LED Alsons Consolidated Resources, Inc. (ACR) has earmarked around P6.54 billion as capital expenditures (capex) for four projects under development, including three hydro plants, the listed firm said over the weekend.

....

'Capex in 2021 specifically allotted to projects under development is around P6.54 billion. This would cover the prospective (105-MW) San Ramon Power, Inc. (SRPI) baseload thermal plant in Zamboanga City and three of our prospective hydroelectric power plants,' ACR Executive Vice President and Chief Operating Officer Tirso G. Santillan, Jr. was quoted as saying via e-mail.

These planned hydro plants, he said, include the 14.6-MW run-of-river Siguil hydro plant, which is under construction in the Sarangani province; the 22-MW Siayan (Sindangan) hydro plant in Zamboanga del Norte; and the 42-MW Bago Hydro plant in Negros Occidental.]

Mr. Santillan said that the Siguil hydro plant is targeted to begin commercial operations next year, while the SRPI thermal plant is targeted to go online by 2024.

The listed firm said that it planned to focus on ramping up its hydro facilities in the coming years. 'For the long term, we are slated to focus on renewables with seven more run-of- river hydroelectric plants in our pipeline. Once completed and operational, these hydro power plants will comprise the bulk of the company's power facilities,' Mr. Santillan said.



**Alsons Consolidated Resources, Inc.**

Alsons Building, 2286 Chino Roces Avenue

1231 Makati City, Philippines

Tel. Nos. (632) 8982-3000

Website: [www.acr.com.ph](http://www.acr.com.ph)

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Once ACR's first three hydro plants are operating, earnings from the listed firm's RE facilities are expected to take up 35% of ACR's profits, he said.

'In the long term, when all eight hydro plants are operating, we project that renewable energy (RE) contribution to ACR earnings will be around 45%,' Mr. Santillan said.

...."

We can confirm that the information contained in the article did indeed come from ACR thru Mr. Tirso G. Santillan, Jr. in answer to queries from the publication as part of an email interview.

Very truly yours,

**ANGEL M. ESGUERRA**

Compliance Officer and

Assistant Corporate Secretary

## Alsons allots P6.54 billion for four projects

*Neil Charm*



### **Alsons Consolidated Resources, Inc.**

By **Angelica Y. Yang**

ALCANTARA-LED Alsons Consolidated Resources, Inc. (ACR) has earmarked around P6.54 billion as capital expenditures (capex) for four projects under development, including three hydro plants, the listed firm said over the weekend.

ACR, which claims to be the first private sector power generator in Mindanao, has an aggregate installed capacity of 468 megawatts (MW).

“Capex in 2021 specifically allotted to projects under development is around P6.54 billion. This would cover the prospective (105-MW) San Ramon Power, Inc. (SRPI) baseload thermal plant in Zamboanga City and three of our prospective hydroelectric power plants,” ACR Executive Vice President and Chief Operating Officer Tirso G. Santillan, Jr. was quoted as saying via e-mail.

These planned hydro plants, he said, include the 14.6-MW run-of-river Siguil hydro plant, which is under construction in the Sarangani province; the 22-MW Siayan (Sindangan) hydro plant in Zamboanga del Norte; and the 42-MW Bago Hydro plant in Negros Occidental.

Mr. Santillan said that the Siguil hydro plant is targeted to begin commercial operations next year, while the SRPI thermal plant is targeted to go online by 2024.

The listed firm said that it planned to focus on ramping up its hydro facilities in the coming years. “For the long term, we are slated to focus on renewables with seven

more run-of-river hydroelectric plants in our pipeline. Once completed and operational, these hydro power plants will comprise the bulk of the company's power facilities," Mr. Santillan said.

Once ACR's first three hydro plants are operating, earnings from the listed firm's RE facilities are expected to take up 35% of ACR's profits, he said.

"In the long term, when all eight hydro plants are operating, we project that renewable energy (RE) contribution to ACR earnings will be around 45%," Mr. Santillan said.

In September, Alsons issued P1 billion worth of commercial papers, the proceeds of which would go to finance eight of its renewable power projects in the pipeline.

Last week, local debt watcher Philippine Rating Services Corp. (PhilRatings) issued a "PRS A+" issuer credit rating with a stable outlook to ACR for the first tranche of its commercial papers program this year. It earlier announced that it would issue P3 billion in short-term commercial papers, which would be issued in one or more tranches.

According to PhilRatings, a PRS A+ credit rating is an assessment that shows the company's above-average capacity to meet its financial commitments relative to other firms. A "stable outlook" is given when a rating is likely to be maintained or to remain unchanged in the next 12 months.

Shares in ACR on Friday were unchanged at P1.29 apiece.

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Feb 18, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*





**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

Alsons Announces Top-Level Corporate Movements

**Background/Description of the Disclosure**

Please see attached press statement.

**Other Relevant Information**

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



Alsons Consolidated Resources, Inc.



## **Alsons Consolidated Resources, Inc**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

February 18, 2021

Securities & Exchange Commission

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations 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

9<sup>th</sup> 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**Alsons Announces Top-Level Corporate Movements.**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &  
Compliance Officer



## **PRESS RELEASE**

Please refer to: Tirso G. Santillan, Jr. Executive Vice President, Alsons Consolidated Resources, Inc.  
[tgantillan@alsonspower.com](mailto:tgantillan@alsonspower.com)

Atty. Angel M. Esguerra, Assistant Corporate Secretary and Legal Counsel, Alsons Consolidated Resources, Inc.  
[aesguerra@alcantaragroup.com](mailto:aesguerra@alcantaragroup.com)

### **Alsons Announces Top-Level Corporate Movements**

Alsons Consolidated Resources, Inc. (ACR), the publicly-listed company of the Alcantara Group, has announced Tomas I. Alcantara's decision to retire as the company's Chairman and President, for health reasons, effective 1 March 2021. He will remain a director of the company. Nicasio I. Alcantara will assume the position of ACR Chairman and President upon the former's retirement.

Nicasio Alcantara previously led ACR as Chairman and President from 1995 to 2001. He was Chairman and Chief Executive Officer of Petron Corporation from 2001 to 2009. He currently holds leadership positions and board directorships in several companies including ACR Mining Corporation where he serves as Chairman and Phoenix Petroleum where he sits as an independent director. ACR's board of directors have likewise confirmed the appointment of Alexander Benhur M. Simon as Vice President and Group Chief Finance Officer and the assumption of Antonio Miguel B. Alcantara to the new position of Chief Investment and Strategy Officer.

ACR Executive Vice President Tirso G. Santillan, Jr. stated, "Under Tomas Alcantara's leadership, ACR helped end the Mindanao Power shortage by bringing online two major power facilities that added 313 mega-watts to the island's power supply. It was because of his vision and guidance that ACR is now a major power generator with four power facilities serving over eight million people in 14 cities and 11 provinces in Mindanao. ACR will continue to benefit from his wisdom and experience as he continues to serve in the board. We welcome Nicasio Alcantara and his many years of leadership experience in various corporations as he once again assumes the top posts in this company."

Mr. Santillan continued, "As we look forward to the future of ACR, we are pleased to have Alexander Benhur Simon join us as our new CFO to help us navigate the opportunities and challenges of finance in the next few years. We are likewise excited to announce Antonio Alcantara's new leadership role as ACR's Chief Investment and Strategy Officer where he will contribute to developing and implementing the company's strategic investment and business direction.

ACR - the first private sector power generator in Mindanao, is currently building a ₱4.5 billion 14.5 – mega-watt (MW) run-of -river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province. This is the company's first foray into renewable energy. The Siguil Hydro power plant is expected to begin commercial operations in 2022. Also in the company's pipeline is the ₱16 billion 105-MW San Ramon Power, Inc. baseload coal-fired power plant in Zamboanga City, slated to begin operations in 2024.

The company is slated to focus on renewables with at least seven more run- of -river hydroelectric plants in various stages of development. It has two hydro facilities in the pipeline, the 22 MW Siayan (Sindangan) Hydro plant in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental- the company's first power venture outside of Mindanao.

###

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Feb 18, 2021
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ALSONS CONSOLIDATED RESOURCES, INC.
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Postal Code  
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8. Issuer's telephone number, including area code  
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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 items

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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**

Resignation and Appointment

#### **Background/Description of the Disclosure**

Please be informed that the Board of Directors of Alsons Consolidated Resources, Inc. (ACR), at its special meeting held today, February 18, 2021, approved the following:

- (1) The resignation of Mr. Conrado Rafael C. Alcantara as a Director;
- (2) The election of Mr. Nicasio I. Alcantara as a Director;
- (3) The retirement of Mr. Tomas I. Alcantara as Chairman of the Board of Directors, and President, of ACR with effect from March 1, 2021;
- (4) The election of Nicasio I. Alcantara as Chairman of the Board of Directors, and President, of ACR with effect from March 1, 2021;
- (5) The establishment of the office of the Chief Investment & Strategy Officer, and the appointment of Mr. Antonio Miguel B. Alcantara as Chief Investment and Strategy Officer
- (6) The appointment of Mr. Alexander Benhur M. Simon as the new Vice President and Chief Finance Officer of ACR.

Thank you.

#### **Resignation/Removal or Replacement**

<b>Name of Person</b>	<b>Position/Designation</b>	<b>Effective Date of Resignation/Cessation of term (mmm/dd/yyyy)</b>	<b>Reason(s) for Resignation/Cessation</b>
TOMAS I. ALCANTARA	Chairman & President	03/01/2021	retirement
CONRADO RAFAEL C. ALCANTARA	Director	03/01/2021	personal

#### **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	
NICASIO I. ALCANTARA	Director, Chairman & President	02/18/2021	03/01/2021	0	0	-
ANTONIO MIGUEL B. ALCANTARA	Chief Investment and Strategy Officer	02/18/2021	02/18/2021	0	0	-
ALEXANDER BENHUR M. SIMON	VP and Chief Finance Officer	02/18/2021	02/18/2021	0	0	-

**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			Direct	Indirect	
TOMAS I. ALCANTARA	Chairman & President	Director	02/18/2021	03/01/2021	0	0	-

**Other Relevant Information**

Please see attached.

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



**Alsons Consolidated Resources, Inc.**

Alsons Building, 2286 Chino Roces Avenue

1231 Makati City, Philippines

Tel. Nos. (632) 8982-300

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

February 18, 2021

**via PSE Edge**

**Philippine Stock Exchange**

Attention: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

**Securities & Exchange Commission**

Attention: Director Vicente Graciano P. Felizmenio

Market and Securities Regulations Department

Secretariat Bldg, PICC Complex, Roxas Boulevard, Pasay City

**via electronic mail**

**Philippine Dealing & Exchange Corp.**

Attention: Atty. Marie Rose M. Magallen-Lirio

Head-Issuer Compliance and Disclosures Department

Market Regulatory Services Group

29/F, BDO Equitable Tower

8751 Paseo de Roxas, Makati City

Gentlemen:

Please be informed that the Board of Directors of Alsons Consolidated Resources, Inc. (ACR), at its special meeting held today, February 18, 2021, approved the following:

- (1) The resignation of Mr. Conrado Rafael C. Alcantara as a Director;
- (2) The election of Mr. Nicasio I. Alcantara as a Director;
- (3) The retirement of Mr. Tomas I. Alcantara as Chairman of the Board of Directors, and President, of ACR with effect from March 1, 2021;
- (4) The election of Nicasio I. Alcantara as Chairman of the Board of Directors, and President, of ACR with effect from March 1, 2021;
- (5) The establishment of the office of the Chief Investment & Strategy Officer, and the appointment of Mr. Antonio Miguel B. Alcantara as Chief Investment and Strategy Officer
- (6) The appointment of Mr. Alexander Benhur M. Simon as the new Vice President and Chief Finance Officer of ACR.

Thank you.

Very truly yours,

**Angel M. Esguerra, III**

Assistant Corporate Secretary and  
Corporate Compliance Officer



Laura Tumala [CONAL] <ldtumala@alcantaragroup.com>

---

**Compliance with SEC MC 28 S of 2020 – Alsons Consolidated Resources, Inc., SEC Registration No. 59366**

---

Angel Esguerra [CONAL] <aesguerra@alcantaragroup.com>

Mon, Feb 22, 2021 at 10:10 PM

To: MC28\_S2020@sec.gov.ph

Cc: CONAL-Legal <legal@alcantaragroup.com>, Conal Legal <legal2@alcantaragroup.com>

To : The Securities and Exchange Commission (SEC)

From : The Assistant Corporate Secretary of the above Company

In compliance with the SEC's Memorandum Circular No. 28, Series of 2020, attached is the Certification of Authorization required by the said Circular. Kindly acknowledge receipt.

Thank you,

*Angel M. Esguerra, III*

*Alcantara Group, Legal Services*

*Tel. +632 982 3061*

*Fax +632 982 3030*

*Mobile: +63 927 225 9060*

*email: aesguerra@alcantaragroup.com*

---

 210222 MC28 compliance - ACR.pdf  
696K



Laura Tumala [CONAL] <ldtumala@alcantaragroup.com>

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**Compliance with SEC MC 28 S of 2020 – Alsons Consolidated Resources, Inc., SEC Registration No. 59366**

---

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Mon, Feb 22, 2021 at 11:28 PM

To: ldtumala@alcantaragroup.com

Dear Customer,

SUCCESSFULLY ACCEPTED

(subject to verification and review of the quality of the attached document)

Thank you.

SEC ICTD.





Republic of the Philippines  
Department of Finance  
Securities and Exchange Commission

SUBMISSION OF E-MAIL ADDRESSES AND MOBILE NUMBERS  
(for Corporations)

Corporate name:	Alsons Consolidated Resources, Inc.
S.E.C. registration number:	59366
Official electronic mail address:	legal@alcantaragroup.com
Official mobile number:	09178581642
Alternate electronic mail address:	legal2@alcantaragroup.com
Alternate mobile number:	09178731671

CERTIFICATION OF AUTHORIZATION

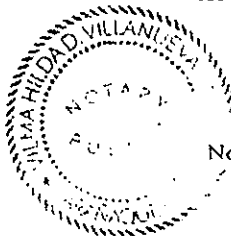
I, Angel M. Esguerra, III, the duly elected/appointed Assistant Corporate Secretary of the above named company, a Philippine corporation with Metro Manila office address c/o the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231, and the above S.E.C. Registration Number, hereby authorize the Securities and Exchange Commission of the Philippines to send notices, letter-replies, orders, decisions, and/or other documents emanating from the Commission through the foregoing e-mail addresses and mobile numbers for the purpose of complying with the notice requirement of administrative due process.

IN WITNESS WHEREOF, I hereby affix my signature on February 22, 2021 at Parañaque City.

Angel M. Esguerra, III  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me, a Notary Public for and in Parañaque City, Philippines, this 22<sup>nd</sup> day of February 2021, affiant, whose identity I have confirmed through his Passport No P0613689A issued on October 12, 2016 at DFA, NCR South, bearing his photograph and signature.

ATTY. VILMA HILDA VILLANUEVA-FABELLA  
Notary Public  
Until December 31, 2022  
IBP No. 145508/1-07-2021/PPLM  
PTR No. 2573468/1-04-2021/Parañaque  
Roll No. 41901  
Notarial Commission No 119-2021/1-04-2021



Doc. No 254;  
Page No 52;  
Book No. 09;  
Series of 2021.

*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**

<b>Form/Report Type</b>	Compliance with SEC Memorandum Circular No. 28, Series of 2020
<b>Report Period/Report Date</b>	Feb 23, 2021

**Description of the Disclosure**

This report is in compliance with SEC Memorandum Circular No. 28, Series of 2020 which requires Corporation to submit a valid official electronic email address and a valid official cellular phone number.

Kindly see attached redacted certification

**Filed on behalf by:**

<b>Name</b>	Jose Saldivar, Jr.
<b>Designation</b>	Finance Manager

# SECURITIES AND EXCHANGE COMMISSION

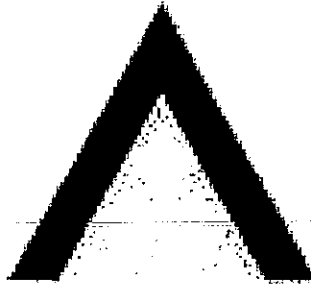
## SEC FORM 17-C

### 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 19, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
59366
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

*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**

AUDITED FINANCIAL STATEMENT FOR THE YEAR 2020

**Background/Description of the Disclosure**

Please be informed that in a meeting held on 18 March 2021, the Board of Directors of Alsons Consolidated Resources, Inc. ("ACR"), approved the Audited Financial Statement for the year 2020 as audited by the firm, Sycip Gorres Velayo & Co.

**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)  
Mar 19, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
59366
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## **Alsons Consolidated Resources, Inc.**

### **ACR**

**PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting**  
*References: SRC Rule 17 (SEC Form 17-C) and  
Sections 7 and 4.4 of the Revised Disclosure Rules*

#### **Subject of the Disclosure**

Notice of the Annual Stockholders' Meeting date and record date

#### **Background/Description of the Disclosure**

The Board also approved the date of the annual stockholders' meeting, to be held entirely by a videoconference application, on 20 May 2021, starting at 2:30 p.m. Only stockholders on record at the close of business on 16 April 2021 shall be entitled to notice of the meeting, and to participate in, and/or vote at, the said meeting. Regarding its three (3) current Independent Directors, the Board – with the these Directors inhibiting themselves, approved the justifications for their re-nomination, and set 26 March 2021 as the last day for other stockholders to submit nominations.

#### **Type of Meeting**

☒ Annual

☐ Special

**Date of Approval by  
Board of Directors** Mar 18, 2021

**Date of Stockholders'  
Meeting** May 20, 2021

**Time** 2:30 pm

**Venue** The meeting will be conducted virtually and the access link will be provided in the Company's website in due course.

**Record Date** Apr 16, 2021

**Agenda**

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on July 23, 2020;
4. Approval of the Annual Report, and the 2019 Audited Financial Statements;
5. Ratification of Acts of the Board and Management;
6. Appointment of External Auditors;
7. Election of Directors (including Independent Directors);
8. Other business that may properly be brought before the Meeting; and
9. Adjournment

**Inclusive Dates of Closing of Stock Transfer Books**

<b>Start Date</b>	N/A
<b>End Date</b>	N/A

**Other Relevant Information****Filed on behalf by:**

<b>Name</b>	Jose Saldivar, Jr.
<b>Designation</b>	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 19, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
59366
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*





**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

Press Statement by the Company entitled: Alsons Income Grows in 2020 driven by Continuous Power Plant Operations amidst Pandemic.

**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 "ACR")  
Alsons Building 2286 Chino Roces Avenue,  
Makati City 1231 Metro Manila Philippines  
Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

18 March 2021

Securities & Exchange Commission

Attn.: Atty. Vicente Graciano P. Felizmenio, Director  
Markets and Securities Regulations 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  
9<sup>th</sup> 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  
29/F, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City

Gentlemen:

Please be informed that in a meeting held on 18 March 2021, the Board of Directors of Alsons Consolidated Resources, Inc. ("ACR"), approved the Audited Financial Statement for the year 2020 as audited by the firm, Sycip Gorres Velayo & Co.

The Board also approved the date of the annual stockholders' meeting, to be held entirely by a videoconference application, on **20 May 2021**, starting at 2:30 p.m. Only stockholders on record at the close of business on 16 April 2021 shall be entitled to notice of the meeting, and to participate in, and/or vote at, the said meeting. Regarding its three (3) current Independent Directors, the Board – with the these Directors inhibiting themselves, approved the justifications for their re-nomination, and set 26 March 2021 as the last day for other stockholders to submit nominations.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: **Alsons Income Grows in 2020 driven by Continuous Power Plant Operations amidst Pandemic.**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III  
Assistant Corporate Secretary & Compliance Officer



## **PRESS RELEASE**

Please Refer to: Tirso G. Santillan, Jr., Executive Vice President, Alsons Consolidated Resources, Inc.  
[tgsantillan@alsonspower.com](mailto:tgsantillan@alsonspower.com)

Alexander Benhur M. Simon, Group Chief Finance Officer, Alsons Consolidated Resources, Inc.  
[amsimon@alsonspower.com](mailto:amsimon@alsonspower.com)

### **Alsons Income Grows in 2020 driven by Continuous Power Plant Operations amidst Pandemic**

The full operation of its power plants to meet the continuing demand for electricity in Mindanao, despite the COVID -19 quarantine last year, resulted in Alsons Consolidated Resources Inc., (ACR) – the publicly listed company of the Alcantara Group – significantly increasing its full-year net income for 2020. ACR posted a consolidated net income of ₱1.87 billion in 2020 from ₱974 million in 2019. Net income attributable to the parent for 2020 was at ₱325 million – a substantial rise from ₱148 million the year before. ACR's consolidated revenues for 2020 grew to ₱9.47 billion from ₱6.80 billion reported in 2019

ACR is currently building a 14.5 mega-watt (MW) run-of-river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province. This is the company's first foray into renewable energy. The Siguil Hydro power plant is expected to begin commercial operations in early 2022. Also in the company's pipeline is the ₱16 billion 105 MW San Ramon Power, Inc. baseload coal-fired power plant in Zamboanga City.

The company is slated to focus on renewables with at least seven more run- of -river hydroelectric plants in various stages of development. It has two hydro facilities in the pipeline, the 22 MW Siayan (Sindangan) Hydro plant in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental.

ACR Executive Vice President Tirso G. Santillan said, "Our power facilities have continued to dispatch power to our customers in order to ensure that the people of Mindanao have access to a reliable and steady supply of electricity in these difficult times. This year will see us continuing to pursue our new power projects in Sarangani Province, Zamboanga City, Zamboanga del Norte and Negros Occidental. This is our own contribution to the economic recovery of our country by helping create new jobs and stimulate the local economies in these areas."

###

# 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 14, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

"Alsons Income Rises in Q1 2021".

**Background/Description of the Disclosure**

Please see attached press statement.

**Other Relevant Information**

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



Alsons Consolidated Resources, Inc.



## **Alsons Consolidated Resources, Inc**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

May 14, 2021

via PSE EDGE

**Philippine Stock Exchange, Inc.**

Attn.: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons Income Rises in Q1 2021".**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &  
Compliance Officer



## **PRESS RELEASE**

Please Refer to: Tirso G. Santillan, Jr., Executive Vice President, Alsons Consolidated Resources, Inc.  
[tgsantillan@alsonspower.com](mailto:tgsantillan@alsonspower.com)

Alexander Benhur M. Simon, Vice President and Group Chief Finance Officer, Alsons Consolidated Resources, Inc.  
[amsimon@alsonspower.com](mailto:amsimon@alsonspower.com)

### **Alsons Income Rises in Q1 2021**

Alsons Consolidated Resources, Inc. (ACR) – the publicly-listed company of the Alcantara Group –reported an increase in consolidated net income for the first three months of 2021. ACR's net earnings in the first quarter of this year grew to ₱379 million from ₱310 million in the same period in 2020. The company's net earnings attributable to the parent were also up in the first quarter of 2021 to ₱93 million from ₱55 million in the first quarter of 2020. Consolidated revenues for the first three months of the year were lower at ₱2.16 billion from ₱2.21 billion in the first quarter of 2020 - which included the first two and half months in 2020 before the government imposed a nationwide COVID-19 lockdown.

ACR is currently in the middle of constructing a ₱4.5 billion 14.5 mega-watt (MW) run-of-river hydroelectric power plant at the Siguil River basin in Maasim, Sarangani Province that is expected to commence commercial operations in early 2022. Also in the company's pipeline is the ₱16 billion 105 MW San Ramon Power, Inc. baseload coal-fired power plant in Zamboanga City.

The company is slated to focus on renewables with at least seven more run-of-river hydroelectric plants in various stages of development. The next two hydro facilities in the company's immediate pipeline are the 22 MW Siayan (Sindangan) Hydro plant in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental.

ACR Executive Vice President Tirso G. Santillan, Jr. said, "Amidst this ongoing pandemic, our power facilities continue operating to provide power to our customers serving around 8 million power consumers in 14 cities and 11 provinces in Mindanao. This year, we are on-track in the construction of our Siguil Hydro plant which we expect to begin operating in early 2022 to provide renewable, reliable and affordable power to key areas of Mindanao. This year we also expect to go into high gear in the development of our new power projects in Zamboanga City, Zamboanga del Norte and Negros Occidental."

###

# 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, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
cash dividends declaration

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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**

Cash Dividends on the Preferred Shares

**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 May 20, 2021, the Board declared a cash dividend, out of the unrestricted retained earnings of the Corporation as of December 31, 2020, of Php0.0008 per share in favor of the preferred stockholders of record as of June 30, 2021 to be released on July 23, 2021.

**Other Relevant Information**

Please see attached.

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager

Ex-Date : Jun 25, 2021

**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, 2021
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  
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6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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  
declaration of cash dividends

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## **Alsons Consolidated Resources, Inc.**

### **ACR**

**PSE Disclosure Form 6-1 - Declaration of Cash Dividends**  
*References: SRC Rule 17 (SEC Form 17-C) and  
Sections 6 and 4.4 of the Revised Disclosure Rules*

#### **Subject of the Disclosure**

Cash Dividends on the Common Shares

#### **Background/Description of the Disclosure**

Please see attached

#### **Type of Securities**

- ☒ Common
- ☐ Preferred -
- ☐ Others -

#### **Cash Dividend**

<b>Date of Approval by Board of Directors</b>	May 20, 2021
<b>Other Relevant Regulatory Agency, if applicable</b>	-
<b>Date of Approval by Relevant Regulatory Agency, if applicable</b>	N/A
<b>Type (Regular or Special)</b>	Regular
<b>Amount of Cash Dividend Per Share</b>	Php0.02 per share
<b>Record Date</b>	Jun 30, 2021
<b>Payment Date</b>	Jul 23, 2021

**Source of Dividend Payment**

from the unrestricted retained earnings of the Corporation as of 31 December 2020

**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 "ACR")  
Alsons Building, 2286 Chino Roces Avenue,  
Makati City 1231 Metro Manila, Philippines  
Tel. Nos.: (632) 8982-3000; Fax Nos.: (632) 8982-3077  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

May 20, 2021

via PSE Edge

**Philippine Stock Exchange, Inc.**

Attn.: *Ms. Janet A. Encarnacion, Head*

Disclosure Department Listings and Disclosure Group  
9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: *Director Vicente Graciano P. Felizmenio*

Markets and Securities Regulations Department  
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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, 29/F, BDO Equitable Tower,  
8751 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 May 20, 2021, the Board declared a cash dividend, out of the unrestricted retained earnings of the Corporation as of December 31, 2020, of ₱ 0.0008 per share in favor of the preferred stockholders of record as of June 30, 2021, and of ₱ 0.02 per share in favor of the common stockholders of record as of June 30, 2021, both to be released on July 23, 2021.

Please be guided accordingly.

Very truly yours,

**ALSONS CONSOLIDATED RESOURCES, INC.**

By:

**ANGEL M. ESGUERRA, 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 20, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## **Alsons Consolidated Resources, Inc.**

### **ACR**

#### **PSE Disclosure Form 4-24 - Results of Annual or Special Stockholders' Meeting**

*References: SRC Rule 17 (SEC Form 17-C) and  
Section 4.4 of the Revised Disclosure Rules*

##### **Subject of the Disclosure**

Annual Stockholders' Meeting

##### **Background/Description of the Disclosure**

Results of the Annual Stockholders' meeting held on 20 May 2021, via Remote Communication

##### **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	
NICASIO I. ALCANTARA	100		0 -
TOMAS I. ALCANTARA	1		0 -
EDITHA I. ALCANTARA	100,000		0 -
ALEJANDRO I. ALCANTARA	1		0 -
TIRSO G. SANTILLAN, JR.	1		0 -
RAMON T. DIOKNO	1		0 -
ARTURO B. DIAGO, JR	1		0 -
HONORIO A. POBLADOR III	100		0 -
JOSE BEN R. LARAYA	100		0 -
THOMAS G. AQUINO	100		0 -
JACINTO C. GAVINO, JR.	1		0 -

External auditor      SYCIP GORRES VELAYO & CO.

List of other material resolutions, transactions and corporate actions approved by the stockholders

1. Approval of the Minutes of the Annual Stockholders' Meeting held on July 23, 2020;
2. Approval of the Annual Report of Management and the Audited Financial Statement for the year 2020;
3. Ratification of Acts and Resolutions of the Board, its Committees and Management for the year 2020;
4. Re-appointment of Sycip, Gorres, Velayo & Co., as External Auditor for the year 2021-2022.

**Other Relevant Information**

Please see attached.

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



# SECURITIES AND EXCHANGE COMMISSION

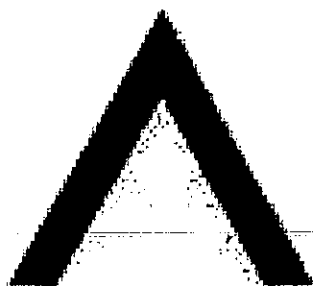
## SEC FORM 17-C

### 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 20, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

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# 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

Organizational Meeting

#### Background/Description of the Disclosure

Results of the Organizational Meeting of the Board of Directors held 20 May 2021, immediately after the virtual Annual Stockholders' Meeting

#### 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	
Nicasio I. Alcantara	Chairman & President	100	0	-
Editha I. Alcantara	Vice-Chair & Treasurer	100,000	0	-
Tirso G. Santillan, Jr.	Executive Vice President	1	0	-
Antonio Miguel B. Alcantara	Chief Investment & Strategy Officer	0	0	-
Alexander Benhur M. Simon	VP & Group Chief Finance Officer	0	0	-
Philip Edward B. Sagun	Deputy Chief Finance Officer	0	0	-
Ana Maria Margarita A. Katigbak	Corporate Secretary	0	0	-
Angel M. Esguerra, III	Assistant Corporate Secretary, Data Protection Officer and Compliance Officer	0	0	-
Esperidion D. Develos, Jr.	Chief Audit Executive	0	0	-

#### List of Committees and Membership

<b>Name of Committees</b>	<b>Members</b>	<b>Position/Designation in Committee</b>
Executive & Corporate Governance Committee	Nicasio I. Alcantara	Chairman
Executive & Corporate Governance Committee	Tomas I. Alcantara	Member
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 Committee	Jose Ben R. Laraya	Chairman
Audit, Risk Oversight & Related Party Transaction Committee	Editha I. Alcantara	Member
Audit, Risk Oversight & Related Party Transaction Committee	Tirso G. Santillan, Jr.	Member
Audit, Risk Oversight & Related Party Transaction Committee	Jacinto C. Gavino, Jr.	Member
Audit, Risk Oversight & Related Party Transaction Committee	Ramon T. Diokno	Member
Compensation Committee	Nicasio I. Alcantara	Chairman
Compensation Committee	Tomas I. Alcantara	Member
Compensation Committee	Honorio A. Poblador, III	Member
Compensation Committee	Tirso G. Santillan, Jr.	Member
Compensation Committee	Jose Ben R. Laraya	Member
Nomination & Election Committee	Nicasio I. Alcantara	Chairman
Nomination & Election Committee	Tomas I. Alcantara	Member
Nomination & Election Committee	Jose Ben. R. Laraya	Member
Nomination & Election Committee	Arturo B. Diago, Jr.	Member
Retirement Committee	Editha I. Alcantara	Chairman
Retirement Committee	Honorio A. Poblador III	Member
Retirement Committee	Tirso G. Santillan, Jr.	Member

**List of other material resolutions, transactions and corporate actions approved by the Board of Directors**

none

**Other Relevant Information**

Please see attached.

**Filed on behalf by:**

<b>Name</b>	Jose Saldivar, Jr.
<b>Designation</b>	Finance Manager



**Alsons Consolidated Resources, Inc.**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building, 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila, Philippines

Tel. Nos.: (632) 8982-3000; Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

20 May 2021

**Securities & Exchange Commission**

Attn.: Director Vicente Graciano P. Felizmenio, Jr.

Markets and Securities Regulation 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

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

*via electronic mail*

**Philippine Dealing & Exchange Corp.**

Attn.: Atty. Marie Rose M. Magallan-Lirio

Head-Issuer Compliance and Disclosures Dept.

Market Regulatory Services Group

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

This is to inform the Exchange offices 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 20 May 2021. The meeting was conducted virtually by accessing the link provided by the Company to all stockholders of record as of 16 April 2021. The place of the virtual meeting is in Alsons Building, 2286 Chino Roces Avenue, Makati City, wherein the Chairman of the Board presided the meeting.

**A. Annual Stockholders' Meeting**

1. Approval of the Minutes of the Annual Meeting of Stockholders' held on 23 July 2020;
2. Approval of the Annual Report of Management and Audited Financial Statements for the year 2020;
3. Ratification of Acts and Resolutions of the Board, its Committees and Management;
4. Re-appointment of Sycip, Gorres, Velayo & Co.as Election Inspectors and External Auditor for year 2021;
5. Election of the following stockholders as Directors of the Company for the year 2021-2022;
  1. Nicasio I. Alcantara
  2. Tomas I. Alcantara
  3. Editha I. Alcantara
  4. Alejandro I. 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 2021-2022:

Chairman and President	-	<b>Nicasio I. Alcantara</b>
Vice-Chair & Treasurer	-	<b>Editha I. Alcantara</b>
<del>Executive Vice President</del>	<del>-</del>	<del><b>Tirso G. Santillan, Jr.</b></del>
Chief Investment & Strategy Officer	-	<b>Antonio Miguel B. Alcantara</b>
VP & Group Chief Finance Officer	-	<b>Alexander Benhur M. Simon</b>
Deputy Chief Finance Officer	-	<b>Philip Edward B. Sagun</b>
Corporate Secretary	-	<b>Ana Maria Margarita A. Katigbak</b>
Assistant Corporate Secretary	-	<b>Angel M. Esguerra, III</b>

2. Appointment of the following as members of the board committees:

**Executive & Corporate Governance Committee:**

Nicasio I. Alcantara, Chairman  
Tomas I. Alcantara  
Editha I. Alcantara  
Thomas G. Aquino  
Jose Ben R. Laraya  
Tirso G. Santillan, Jr.

**Retirement Committee:**

Editha I. Alcantara, Chairman  
Honorio A. Poblador III  
Tirso G. Santillan, Jr.

**Compensation Committee:**

Nicasio I. Alcantara, Chairman  
Tomas I. Alcantara  
Honorio A. Poblador, III  
Tirso G. Santillan, Jr.  
Jose Ben R. Laraya

**Nomination & Election Committee:**

Nicasio I. Alcantara, Chairman  
Tomas I. Alcantara  
Jose Ben. R. Laraya  
Arturo B. Diago, Jr.

**Audit, Risk, Oversight & Related Party Transaction Committee:**

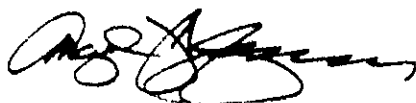
Jose Ben R. Laraya, Chairman  
Editha I. Alcantara  
Tirso G. Santillan, Jr.  
Jacinto C. Gavino, Jr.  
Ramon T. Diokno

The Board appointed Mr. Esperidion D. Develos, Jr. as Chief Audit Executive reporting directly to the Audit Committee. and designated the undersigned as the Company's Corporate 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

# 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 28, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) 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 items

*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**

Order of Registration and Certificate of Permit to Sell issued to Alsons Consolidated Resources, Inc.

**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 "ACR")  
Alsons Building, 2286 Chino Roces Avenue,  
Makati City 1231 Metro Manila, Philippines  
Tel. Nos.: (632) 8982-3000; Fax Nos.: (632) 8982-3077  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

28 June 2021

*via PSE Edge*

**Philippine Stock Exchange, Inc.**

Attn.: **Ms. Janet A. Encarnacion, Head**

Disclosure Department Listings and Disclosure Group  
9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

*via electronic mail*

**Securities & Exchange Commission**

Attn.: **Director Vicente Graciano P. Felizmenio**

Markets and Securities Regulations Department  
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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, 29/F, BDO Equitable Tower,  
8751 Paseo de Roxas, Makati City

Re: **Order of Registration and Certificate of Permit to Sell**

Gentlemen:

We are furnishing the Exchange with the copy of the Securities and Exchange Commission-MSRD Order of Registration and Certificate of Permit to Sell issued to Alsons Consolidated Resources, Inc. covering the registration of TWO BILLION PESOS (P2,000,000,000.00) worth of Commercial Papers consisting of 182-day Series O Commercial Papers. The foregoing Commercial Papers represent the first (1st) tranche of commercial papers that forms part of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program.

Thank you,

**ALSONS CONSOLIDATED RESOURCES, INC.**

By:

**ANGEL M. ESGUERRA, III**  
Assistant Corporate Secretary and  
Corporate Compliance Officer





Republic of the Philippines  
Department of Finance  
Securities and Exchange Commission

Markets and Securities Regulation Department

IN THE MATTER OF	:	SEC MSRD Order No. 34
	:	Series of 2021
	:	
ALSONS CONSOLIDATED RESOURCES, INC.	:	Registration of Commercial Papers
- Registrant -	:	
X ----- X	:	

**ORDER OF REGISTRATION**

Upon consideration of the Registration Statement and other papers and documents attached thereto ("Registration Statement") which were filed on behalf of ALSONS CONSOLIDATED RESOURCES, INC., the Commission, resolved in its meeting on 22 June 2021 to favorably consider the same for the registration of the Commercial Paper Program in the aggregate principal amount of up to Three Billion Pesos (P3,000,000,000.00) worth of Commercial Papers to be issued and offered for sale to the general public in one or more tranches within a period of three (3) years reckoned from the date of effectivity of the Registration Statement, pursuant to Sections 8 and 12 of the Securities Regulation Code.

The first tranche shall be comprised of a base principal amount of Two Billion Pesos (P2,000,000,000.00) to be issued and offered for sale to the public.

In this regard and after determining that the company has complied with the required submissions as directed in the Pre- Effective Letter issued on 22 June 2021, the subject Registration Statement is now rendered effective.

Let a Certificate of Permit to Offer Securities for Sale be issued in favor of subject company authorizing the sale and distribution of the aforementioned securities.

Let this Order be published at the expense of the Issuer in a newspaper of general circulation and uploaded in its website within two (2) business days from its issuance. The company is hereby directed to furnish the Commission with a copy of the affidavit of publication of this Order.

**SO ORDERED.**

PICC Complex, Pasay City, Philippines, 25 June 2021.

signed  
VICENTE GRACIANO P. FELIZMENIO, JR.  
Director



Republic of the Philippines  
Department of Finance  
Securities and Exchange Commission

**MARKETS AND SECURITIES REGULATION DEPARTMENT**

**CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE**

THE ISSUANCE OF THIS PERMIT IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE A RECOMMENDATION OR  
ENDORSEMENT OF THE SECURITIES PERMITTED TO BE ISSUED

THIS IS TO CERTIFY that the securities of

**ALSONS CONSOLIDATED RESOURCES, INC.**

consisting of TWO BILLION PESOS (P2,000,000,000.00) worth of Commercial Papers consisting of 182-day Series O Commercial Papers with discount rate of 3.25% per annum and 364-day Series P Commercial Papers with discount rate of 3.75% covered under SEC MSRD Order No. 34, Series of 2021 have been registered under the Commercial Paper Program pursuant to the requirements of Sections 8 and 12 of the Securities Regulation Code ("Code"). As such, these securities may now be offered for sale or sold to the public subject to full compliance with the provisions of the said Code and its Implementing Rules and Regulations, as amended, Revised Code of Corporate Governance and other applicable laws and orders as may be issued by the Commission. The foregoing Commercial Papers represent the first (1st) tranche commercial papers that forms part of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program.

Issued at Pasay City, Philippines this 25<sup>th</sup> day of June Two Thousand and Twenty-one.



**VICENTE GRACIANO P. FELIZMENIO, JR.**

# SECURITIES AND EXCHANGE COMMISSION

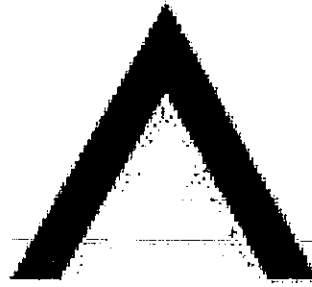
## SEC FORM 17-C

### 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)  
Jul 16, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823060
9. Former name or former address, if changed since last report  
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
 

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000
11. Indicate the item numbers reported herein  
press release

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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 lists P 1.4 B Commercial Papers with PDEX

**Background/Description of the Disclosure**

Please see attached press statement

**Other Relevant Information**

**Filed on behalf by:**

**Name**

Jose Saldivar, Jr.

**Designation**

Finance Manager



## **Alsons Consolidated Resources, Inc**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City 1231 Metro-Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

July 16, 2021

via PSE EDGE

**Philippine Stock Exchange, Inc.**

Attn.: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons lists ₱ 1.4 B Commercial Papers with PDEx".**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &  
Compliance Officer



## **PRESS RELEASE**

Please Refer to: Alexander Benhur M. Simon, Vice President and Group Chief Finance Officer  
Alsons Consolidated Resources, Inc. [amsimon@alsonspower.com](mailto:amsimon@alsonspower.com)

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.  
[psagun@alcantaragroup.com](mailto:psagun@alcantaragroup.com)

### **Alsons lists ₱ 1.4 B Commercial Papers with PDEx**

Alsons Consolidated Resources, Inc. (ACR) has listed with the Philippine Dealing and Exchange Corporation (PDEx), an initial ₱1.4 billion of the Alcantara -led company's Commercial Papers (CP) Program valued at up to ₱3.0 billion. The securities will be offered in one or more tranches within three years from 25 June 2021. Multinational Investment Bancorporation was the issue manager, arranger, and underwriter for the issuance; while Acuña and Francisco Law served as the transactional legal counsel, and AB Capital and Investment Corporation acted as the facility agent.

Earlier this year, the issuance received a PRS A plus (corp.) issuer credit rating from the Philippine Rating Services Corporation (PhilRatings). According to PhilRatings, a PRS A plus (corp.) rating means the company has an above average capacity to meet its financial commitments relative to other Philippine corporates.

At a virtual ceremony marking the listing, ACR Chairman and President Nicasio I. Alcantara said, "We are pleased with the opportunity to provide investors with an attractive alternative investment outlet as we once again tap the short-term capital market in our continuing quest to ensure the provision of safe, reliable and affordable power for the people of Mindanao and other areas of the Philippines."

ACR is Mindanao's first private sector power generator providing electricity to over 8 million people in 14 cities and 11 provinces in the country's second largest island. The company currently has a portfolio of four power plants in Mindanao with a total capacity of 468 mega-watts (MW). ACR expects to add another power plant to its portfolio when the company's ₱4.5 billion 14.5 MW hydroelectric power plant currently under construction at the Siguil River basin in Sarangani Province, begins operations in early 2022.

###

# 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)  
Jul 23, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823060
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 items

*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 4-8 - 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**

Resignation and Appointment of MEMBER of the Audit, Risk, Oversight and Related Party Transaction Committee.

**Background/Description of the Disclosure**

Please be informed that during the special meeting of the Board of Directors of Alsons Consolidated Resources Inc. (ACR) held today, 23 July 2021, the board accepted the resignation of Mr. Tirso G. Santillan, Jr. as a member of the Audit, Risk, Oversight and Related Party Transaction Committee and approved the appointment of Mr. Thomas G Aquino as the new member of the Audit, Risk, Oversight and Related Party Transaction Committee.

**Resignation/Removal or Replacement**

Name of Person	Position/Designation	Effective Date of Resignation/Cessation of term (mmm/dd/yyyy)	Reason(s) for Resignation/Cessation
TIRSO G. SANTILLAN, JR.	Member, Audit, Risk, Oversight and Related Party Transaction Committee	07/23/2021	personal

**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	
THOMAS G. AQUINO	Member, Audit, Risk, Oversight and Related Party Transaction Committee	07/23/2021	07/23/2021	100	0	-

**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
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From	To	Direct	Indirect
-	-	0	0 -

**Other Relevant Information**

Mr. Santillan only resigned as a member of the Audit, Risk, Oversight and Related Party Transaction Committee, He is still the Director and EVP of the Company. Please see attached letter of disclosure.

**Filed on behalf by:**

<b>Name</b>	Jose Saldivar, Jr.
<b>Designation</b>	Finance Manager



**Alsons Consolidated Resources, Inc.**

Alsons Building, 2286 Chino Roces Avenue  
1231 Makati City, Philippines  
Tel. Nos. (632) 8982-300  
Website: [www.acr.com.ph](http://www.acr.com.ph)

---

23 July 2021

via PSE Edge

**Philippine Stock Exchange**

Attention: Ms. Janet A. Encarnacion, Head  
Disclosure Department Listings and Disclosure Group  
9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

**Securities & Exchange Commission**

Attention: Director Vicente Graciano P. Felizmenio  
Market and Securities Regulations Department  
Secretariat Bldg, PICC Complex, Roxas Boulevard, Pasay City

via electronic mail

**Philippine Dealing & Exchange Corp.**

Attention: Atty. Marie Rose M. Magallen-Lirio  
Head-Issuer Compliance and Disclosures Department  
Market Regulatory Services Group  
29/F, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City

Gentlemen:

Please be informed that during the special meeting of the Board of Directors of Alsons Consolidated Resources Inc. (ACR) held today, 23 July 2021, the board accepted the resignation of Mr. Tirso G. Santillan, Jr. as a member of the Audit, Risk, Oversight and Related Party Transaction Committee and approved the appointment of Mr. Thomas G Aquino as the new member of the Audit, Risk, Oversight and Related Party Transaction Committee.

Thank you.

Very truly yours,

**Angel M. Esguerra, 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)  
Aug 12, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823000
9. Former name or former address, if changed since last report  
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
 

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000
11. Indicate the item numbers reported herein  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

Press Release by the Company entitled: "Alsons Posts Earnings of 871 Million in the First Half of 2021".

**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 "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City-1231-Metro Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

August 12, 2021

via PSE EDGE

**Philippine Stock Exchange, Inc.**

Attn.: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons Posts Earnings of ₱871 Million in the First Half of 2021".**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &  
Compliance Officer



## **PRESS RELEASE**

Please Refer to: Alexander Benhur M. Simon, Vice President and Group Chief Finance Officer  
Alsons Consolidated Resources, Inc. [amsimon@alsonspower.com](mailto:amsimon@alsonspower.com)

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc  
[psagun@alcantaragroup.com](mailto:psagun@alcantaragroup.com)

### **Alsons Posts Earnings of ₱871 Million in the First Half of 2021**

Alsons Consolidated Resources Inc., (ACR) posted an increase in core net earnings in the first half of this year to ₱871.16 million from the ₱672.97 million recorded in the first half of 2020. Core net earnings for the second quarter of 2021 were also higher at ₱492.39 million from ₱362.49 million in the same period last year.

Core net income attributable to the parent was up in the first six months of 2021 at ₱267.06 million from ₱133.34 million in the first half of 2020, while attributable core net income in the second quarter of this year was at ₱174.18 million up from ₱78.25 million in the second quarter of 2020.

The publicly-listed company of the Alcantara Group reported revenues of ₱4.63 billion for the first half of 2021 and ₱2.47 billion in second quarter revenue for 2021. Revenue for this year was higher than the ₱4.40 billion in core revenue for the first half of 2020 and the ₱2.19 billion in core revenue for the second quarter of 2020.

As in the past years, ACR's 210 mega-watt (MW) Sarangani Energy Corporation (SEC) baseload power plant continued to be the key revenue and income driver for the company. SEC currently provides power to key areas in Mindanao including Sarangani Province, General Santos, Cagayan de Oro, Iligan, Dipolog, Dapitan, Pagadian, Samal, Tagum, Kidapawan, and Butuan. The US\$570 million SEC plant is the single largest investment in Sarangani Province and the entire Region 12.

The company which is Mindanao's first private-sector power generator has a portfolio of four power facilities with an aggregate capacity of 468 MW serving over eight million people in 14 cities and 11 provinces in the country's second largest island. ACR expects to add another power plant to its portfolio when the company's ₱4.5 billion 14.5 MW hydroelectric power plant currently under construction at the Siguil River basin in Sarangani Province, begins operations in early 2022.

For the long-term the company is slated to focus on renewables with seven more hydroelectric plants in various stages of development. The next two hydro facilities in the pipeline following the Siguil Hydro plant, are the 22 MW Siayan (Sindangan) Hydro plant in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental.

###

# 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 4, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823060
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 items

*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**

Certificate of Permit to Offer Securities for Sale

**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 "ACR")

Alsons Building, 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila, Philippines

Tel. Nos.: (632) 8982-3000; Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

November 4, 2021

via PSE Edge

**Philippine Stock Exchange, Inc.**

Attn.: **Ms. Janet A. Encarnacion, Head**

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: **Director Vicente Graciano P. Felizmenio**

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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. 29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Re: **Certificate of Permit to Offer Securities for Sale**

Gentlemen:

Please be informed that Alsons Consolidated Resources, Inc. (the "Company") received today from the Securities and Exchange Commission - Markets and Securities Regulations Department a Certificate of Permit to Offer Securities for Sale covering the registration of "SIX HUNDRED MILLION PESOS (P600,000,000.00) worth of Commercial Papers", copy attached. These securities represent the second (2nd) tranche issuance, and form part, of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program of the Company.

Thank you.

Very truly yours,

**ALSONS CONSOLIDATED RESOURCES, INC.**

By:

**ANGEL M. ESGUERRA, III**

Assistant Corporate Secretary and

Corporate Compliance Officer



Republic of the Philippines  
Department of Finance  
Securities and Exchange Commission

MARKETS AND SECURITIES REGULATION DEPARTMENT

**CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE**

THE ISSUANCE OF THIS PERMIT IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE  
SECURITIES PERMITTED TO BE ISSUED


THIS IS TO CERTIFY that the securities of

**ALSONS CONSOLIDATED RESOURCES, INC.**

consisting of SIX HUNDRED MILLION PESOS (P600,000,000.00) worth of Commercial Papers to be issued as 364-day Series Q Commercial Papers with discount rate of 3.75% per annum, covered under SEC MSRD Order No. 34, Series of 2021, have been registered under the Commercial Paper Program pursuant to the requirements of Sections 8 and 12 of the Securities Regulation Code ("Code"). As such, these securities may now be offered for sale or sold to the public subject to full compliance with the provisions of the said Code and its Implementing Rules and Regulations, as amended, Revised Code of Corporate Governance and other applicable laws and orders as may be issued by the Commission. The foregoing Commercial Papers represent the second (2nd) tranche issuance and form part of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program of the Company.

Issued at Pasay City, Philippines this 2<sup>nd</sup> day of November Two Thousand and Twenty-one.



  
**VICENTE GRACIANO P. FELEIZMENIO, JR.**  
Director

# SECURITIES AND EXCHANGE COMMISSION

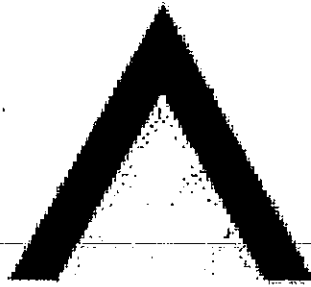
## SEC FORM 17-C

### 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 12, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823060
9. Former name or former address, if changed since last report  
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500,000
11. Indicate the item numbers reported herein  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

Alsons lists 600 Million second tranche of Commercial Papers with PDEX

**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.



## **Alsons Consolidated Resources, Inc**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

November 12, 2021

via PSE EDGE

**Philippine Stock Exchange, Inc.**

Attn.: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons lists ₱600 Million second tranche of Commercial Papers with PDEX".**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &  
Compliance Officer



## **PRESS RELEASE**

Please Refer to: Alexander Benhur M. Simon, Vice President and Group Chief Finance Officer  
Alsons Consolidated Resources, Inc. [amsimon@alsonspower.com](mailto:amsimon@alsonspower.com)

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.  
[psagun@alcantaragroup.com](mailto:psagun@alcantaragroup.com)

### **Alsons lists ₱600 Million second tranche of Commercial Papers with PDEx**

Alsons Consolidated Resources, Inc. (ACR) has listed with the Philippine Dealing and Exchange Corporation (PDEx), ACR's second tranche – worth ₱600 million – of its ₱3 billion Commercial Paper (CP) Program. The Company had issued its first tranche worth ₱1.4 billion in CPs in July of this year. Multinational Investment Bancorporation was the manager, arranger, and underwriter for the issuance, while Acuña and Francisco Law served as the transactional legal counsel, and AB Capital and Investment Corporation acted as the facility agent. Proceeds from the issuance will be used primarily for general working capital purposes.

Earlier this year, the Company received a PRS A plus (corp.) issuer credit rating from the Philippine Rating Services Corporation (PhilRatings). According to PhilRatings, a PRS A plus (corp.) rating means the Company “has an above average capacity to meet its financial commitments relative to other Philippine corporates.”

ACR is Mindanao's first private sector power generator providing electricity to over 8 million people in 14 cities and 11 provinces in the country's second largest island. The Company currently has a portfolio of four power plants in Mindanao with a total capacity of 468 mega-watts (MW).

ACR is currently constructing a ₱4.5 billion 14.5 MW hydroelectric power plant at the Siguil River basin in Sarangani Province. The Siguil Hydro Power plant will be the first of eight hydropower facilities that the Company plans to develop.

###

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Nov 16, 2021
2. SEC Identification Number  
59366
3. BIR Tax Identification No.  
001-748-412
4. Exact name of issuer as specified in its charter  
ALSONS CONSOLIDATED RESOURCES, INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT) MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
89823060
9. Former name or former address, if changed since last report  
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
 

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P1.00 PAR VALUE	6,291,500.000
11. Indicate the item numbers reported herein  
press release

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**Alsons Consolidated Resources, Inc.**  
**ACR**

**PSE Disclosure Form 4-31 - Press Release**  
***References: SRC Rule 17 (SEC Form 17-C)***  
***Section 4.4 of the Revised Disclosure Rules***

**Subject of the Disclosure**

"Alsons Posts Earnings of 1.14 Billion in first 9 months of 2021."

**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 "ACR")

Alsons Building 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila Philippines

Tel. Nos.: (632) 8982-3000 Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

---

November 16, 2021

*via PSE EDGE*

### **Philippine Stock Exchange, Inc.**

Attn.: Ms. Janet A. Encarnacion, Head

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

*via electronic mail*

### **Securities & Exchange Commission**

Attn.: Atty. Vicente Graciano P. Felizmenio, Director

Markets and Securities Regulations Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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

29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Gentlemen:

We are furnishing the Exchange with a copy of the Press Statement by the Company entitled:  
**"Alsons Posts Earnings of ₱1.14 Billion in first 9 months of 2021."**

We trust that you will find the foregoing in order.

Very truly yours,

Angel M. Esguerra, III

Assistant Corporate Secretary &

Compliance Officer



## **PRESS RELEASE**

Please Refer to: Philip E.B. Sagun, Deputy Chief Financial Officer and Head of Investor Relations,  
Alsons Consolidated Resources, Inc. — [psagun@alcantaragroup.com](mailto:psagun@alcantaragroup.com)

### **Alsons Posts Earnings of ₱1.14 Billion in first 9 months of 2021**

Alsons Consolidated Resources Inc., (ACR) posted an increase in core net earnings for the first nine months of this year to ₱1.14 billion from the ₱949 million recorded in the first nine months of 2020. Core net earnings for the third quarter of 2021 were slightly lower at ₱272.92 million from ₱275.5 million in the same period last year.

The publicly-listed company of the Alcantara Group reported revenues of ₱7.04 billion for the first nine months of 2021 and ₱2.47 billion in third quarter revenue for 2021. Revenue for this year was higher than the ₱6.43 billion in core revenue for the first nine months of 2020 and the ₱2.02 billion in core revenue for the third quarter of 2020.

As in the past years, ACR's 210 mega-watt (MW) Sarangani Energy Corporation (SEC) baseload power plant continued to be the key revenue and income driver for the company. SEC currently provides power to key areas in Mindanao including Sarangani Province, General Santos, Cagayan de Oro, Iligan, Dipolog, Dapitan, Pagadian, Samal, Tagum, Kidapawan, and Butuan. The US\$570 million SEC plant is the single largest investment in Sarangani Province and the entire Region 12.

ACR, which is Mindanao's first private-sector power generator, has a portfolio of four power facilities with an aggregate capacity of 468 MW serving over eight million people in 14 cities and 11 provinces in the country's second largest island.

For the long-term the company is slated to focus on renewables with the company's first renewable energy facility- the ₱4.5 billion 14.5 MW hydroelectric power plant currently under construction at the Siguil River basin in Sarangani Province. The Siguil Hydro Power plant will be the first of eight hydropower facilities that ACR plans to develop.

###

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



# Alsons Consolidated Resources, Inc.

## ACR

### PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

**Form/Report Type** Advisement Letter 2021

**Report Period/Report Date** Dec 3, 2021

#### Description of the Disclosure

Annual Corporate Governance Seminar Certificates for Members of the Board of Directors and Officers of the Company

#### Filed on behalf by:

**Name** Jose Saldivar, Jr.  
**Designation** Finance Manager



**Alsons Consolidated Resources, Inc.**

(Listed in the Philippine Stock Exchange Trading "ACR")

Alsons Building, 2286 Chino Roces Avenue,

Makati City 1231 Metro Manila, Philippines

Tel. Nos.: (632) 8982-3000; Fax Nos.: (632) 8982-3077

Website: [www.acr.com.ph](http://www.acr.com.ph)

December 03, 2021

via PSE Edge

**Philippine Stock Exchange, Inc.**

Attn.: **Ms. Janet A. Encarnacion, Head**

Disclosure Department Listings and Disclosure Group

9<sup>th</sup> Floor, PSE Tower, BGC, Taguig City

via electronic mail

**Securities & Exchange Commission**

Attn.: **Dir. Vicente Graciano P. Felizmenio, Jr.**

Markets and Securities Regulation Department

Attn.: **Dir. Rachel Esther J. Gumtang-Remalante**

Corporate Governance and Finance Department

Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay 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. 29/F, BDO Equitable Tower,

8751 Paseo de Roxas, Makati City

Re : **ACGR Advisement Letter on Orientation and Education Program**

Gentlemen:

In compliance with the requirements of the Securities and Exchange Commission ("SEC") Memorandum Circular No. 20 Series of 2013, **Alsons Consolidated Resources, Inc.'s** ("ACR") directors and key officers as cited below, attended a Corporate Governance Webinar via Zoom Meeting on November 29, 2021, Monday, conducted by the Risks, Opportunities, Assessment and Management (ROAM), Inc., a corporate governance training provider accredited by the SEC.

1.	Nicasio I. Alcantara	Director, Chairman of the Board of Directors and President
2.	Tomas I. Alcantara	Director
3.	Editha I. Alcantara	Director, Vice-Chair & Treasurer
4.	Alejandro I. Alcantara	Director
5.	Tirso G. Santillan, Jr	Director, Executive Vice President
6.	Arturo B. Diago, Jr.	Director
7.	Jose Ben R. Laraya	Independent Director
8.	Jacinto C. Gavino, Jr	Independent Director
9.	Thomas G. Aquino	Independent Director

10.	Antonio Miguel B. Alcantara	Chief Investment and Strategy Officer
11.	Esperidion D. Develos	Chief Audit Executive
12.	Philip Edward B. Sagun	Deputy Chief Finance Officer
13.	Angel M. Esguerra, III	Assistant Corporate Secretary, Data Protection Officer and Compliance Officer

Mr. Ramon T. Diokno, a director, attended his separate zoom webinar on the Best Practices in Sustainability Reporting for Publicly Listed Companies last November 16, 2021, conducted by the Center for Global Best Practices; while Mr. Honorio A. Poblador III, also a director, attended his Corporate Governance Webinar on September 14, 2021, which was also conducted by ROAM, Inc.

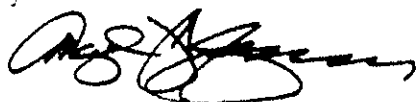
The ACR Corporate Secretary, Atty. Ana Maria Margarita A. Katigbak, attended her seminar online on "Embracing Good Corporate Governance for Effective and Efficient Management" on August 18, 2021 conducted by the Center for Training and Development, Inc.

Pursuant to SEC Memorandum Circular Nos. 1 and 13, Series of 2014, we hereby submit this Advisement Letter and copies of the certificates which will serve to update item 6 on the Orientation and Education Program of ACR Annual Corporate Governance report.

Very truly yours,

**ALSONS CONSOLIDATED RESOURCES, INC.**

By:



**ANGEL M. ESGUERRA, III**  
Assistant Corporate Secretary and  
Compliance Officer

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# **Annual Corporate Governance Report for 2021**

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended  
Dec 31, 2020
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  
ALSONS BLDG., 2286 CHINO ROCES AVENUE (FORMERLY PASONG TAMO EXT)  
MAKATI CITY  
Postal Code  
1231
8. Issuer's telephone number, including area code  
(632) 8982-3000
9. Former name, former address, and former fiscal year, if changed since last report  
N.A.

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



# Alsons Consolidated Resources, Inc.

## ACR

**PSE Disclosure Form 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

Integrated Annual Corporate Governance Report (I-ACGR) of Alsons Consolidated Resources, Inc. for 2020, in compliance with SEC Memorandum Circular No. 15, Series of 2017

### Filed on behalf by:

Name

Jose Saldivar, Jr.

Designation


Finance Manager





**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended **December 31, 2020**
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  
**Metro Manila, Philippines**
6.  (SEC Use Only)  
Industry Classification Code:  
**1231**                      Postal Code
7. **ALSONS Bldg., 2286 Chino Roces Avenue, Makati City**  
Address of principal office
8. **(+632) 8982-3000**  
Issuer's telephone number, including area code
9. **Not applicable**  
Former name, former address, and former fiscal year, if changed since last report.

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
The Board's Governance Responsibilities			
"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."			
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, and found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> as "1. Definitive Information-Statement & Management Report", 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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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."	
"2. Company has an orientation program for first time directors."	Compliant	The Company also ensures that all of its Directors attend an annual corporate governance seminar.	
"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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> .	
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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , shows the Company has a policy on, and discloses, measurable	

Alsons Consolidated Resources, Inc. – Integrated Annual Corporate Governance Report

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Recommendation 1.5			
“1. Board is assisted by a Corporate Secretary.”	Compliant	As set forth in the Company’s articles and by-laws, as amended, and its GISs, all found at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 1.5.	objectives for implementing its board diversity, and reports on progress in achieving its objectives.
“2. Corporate Secretary is a separate individual from the Compliance Officer.”	Compliant		
“3. Corporate Secretary is not a member of the Board of Directors.”	Compliant		
“4. Corporate Secretary attends training/s on corporate governance.”	Compliant		
Recommendation 1.6			
“1. Board is assisted by a Compliance Officer.”	Compliant	As set forth in the Company’s filings and disclosures, all found at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 1.6.	As set forth in 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.”
“2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.”	Compliant		
“3. Compliance Officer is not a member of the board.”	Compliant		
“4. Compliance Officer attends training/s on corporate governance.”	Compliant		
“ 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.”			
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.”	Compliant	As set forth in the Company’s filings and disclosures, all found at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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.”	Compliant	As set forth in the Company’s filings and disclosures, all found at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Board oversees and/or monitors the development, review, approval, and implementation of the Company’s business objectives and strategy.	
“2. Board oversees and monitors the implementation of the company’s business objectives and strategy.”			
Supplement to Recommendation 2.2			
“1. Board has a clearly defined and updated	Compliant	The Company’s vision, mission, and core values are all	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
vision, mission and core values.”		found at <a href="http://www.acr.com.ph/mission_vision.php">www.acr.com.ph/mission_vision.php</a> .	
“2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.”	Compliant	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.	
Recommendation 2.3			
“1. Board is headed by a competent and qualified Chairperson.”	Compliant	As set forth in the 20-JS, and found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , the Board is headed by a competent and qualified Chairman, Mr. Nicasio I. Alcantara.	
Recommendation 2.4			
“1. Board ensures and adopts an effective succession planning program for directors, key officers and management.”		The Company’s New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“2. Board adopts a policy on the retirement for directors and key officers.”	Compliant		
Recommendation 2.5			
“1. Board aligns the remuneration of key officers and board members with long-term interests of the company.”		The New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“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 No ACR 2012/III-03, ratified by the stockholders on 18 May 2012).	
“3. Directors do not participate in discussions or deliberations involving his/her own remuneration.”			
Optional: Recommendation 2.5			
“1. Board approves the remuneration of senior executives.”		The Company’s New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 2.5, first sentence, states: “Subject to the Company’s size, risk profile and complexity of operations, the Board may	
“2. Company has measurable standards to align the performance-based	Compliant		

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.”		align the remuneration of Officers with the Company’s long-term interests, and adopt a policy specifying the relationship between remuneration and performance.” Currently, the Company’s senior executives and executive Directors are NOT employees of the Company, and their remuneration from the Company, if any, consists solely of fixed <i>per diem</i> (Board Resolution No ACR 2012/III-03, ratified by the stockholders on 18 May 2012).	
Recommendation 2.6			
“1. Board has a formal and transparent board nomination and election policy.”	Compliant	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 <a href="http://www.actr.com.ph/corp_governance.php">www.actr.com.ph/corp_governance.php</a> . The said Policy includes how the Company accepts nominations from minority shareholders, and how the Board shortlists candidates.	
“2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.”			
“3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.”			
“4. Board nomination and election policy includes how the board shortlists candidates.”			
“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.”	Compliant	Similar to the Board’s strategy execution process, the Board continuously assesses the effectiveness of its formal and transparent Nomination and Election Policy adopted on 24 April 2017, along with the Company’s New Manual on Corporate Governance, found in <a href="http://www.actr.com.ph/corp_governance.php">www.actr.com.ph/corp_governance.php</a> .	
“6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.”	Compliant	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 <a href="http://www.actr.com.ph/corp_governance.php">www.actr.com.ph/corp_governance.php</a> , is the process for identifying the quality of directors that is aligned with the strategic direction of the Company.	
Optional: Recommendation 2.6			
“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.”	Compliant	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.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Recommendation 2.7			
“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.”	Compliant	The Board has adopted a group-wide RPT policy, and it is set forth in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , which policy guarantees fairness and transparency of the transactions.	
“2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.”			
“3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.”	Compliant	The group-wide RPT policy, set forth in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations	
Supplement to Recommendation 2.7			
“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.”	Compliant	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.	
“2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders’ meetings.”	Compliant	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.	
Recommendation 2.8			
“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	Compliant	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.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
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.	
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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.	
“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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , the Board also ensures that personnel’s performance is at par with the standards set by the Board and Senior Management.	
Recommendation 2.10			
“1. Board oversees that an appropriate internal control system is in place.”			
“2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.”	Compliant	Consistent with the Company’s New Corporate Governance Manual, 2.10, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“3. Board approves the Internal Audit Charter.”			
Recommendation 2.11			
“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 <a href="http://www.acr.com.ph/ent_risk_management.php">www.acr.com.ph/ent_risk_management.php</a> , 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.	
“2. The risk management framework guides		The ERM framework found in	

Alsons Consolidated Resources, Inc. – Integrated Annual Corporate Governance Report

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.”		<a href="http://www.acr.com.ph/ent_risk_management.php">www.acr.com.ph/ent_risk_management.php</a> 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.”	Compliant	The Company's New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“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”			
“1. Board has a clear insider trading policy.”	Compliant	The Board has adopted a clear policy on insider trading, as found in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> .	
“Optional: Principle 2”			
“1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.”	Compliant	The Board has adopted a group-wide RPT policy, and it is set forth in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , 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.	
“2. Company discloses the types of decision requiring board of directors' approval.”	Compliant	The Company complies with the requirements of the Securities Regulation Code and its implementing rules and regulations, found in <a href="http://www.sec.gov.ph/laws-rules-decisions-and-resolutions/legislation/">www.sec.gov.ph/laws-rules-decisions-and-resolutions/legislation/</a> , on which Board decisions are subject to disclosure.	
“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.”			
Recommendation 3.1			
“1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.”	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	



Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Recommendation 3.2		committees are set forth in <a href="http://www.acr.com.ph">www.acr.com.ph</a> .	
"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."	Compliant	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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	
"2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent."	Compliant	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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.	
"3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance."	Compliant	As set forth in the 20-IS, found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , all the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	
"4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee."	Compliant	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Chairman of the Audit Committee is Mr. Jose Ben R. Laraya, who is not the Chairman of the Board, or of any other committee.	
Supplement to Recommendation 3.2		As set forth in the Company's New Corporate Governance Manual, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.
"1. Audit Committee approves all non-audit services conducted by the external auditor."	Compliant		
"2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present."	Non-compliant		
Optional Recommendation 3.2			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"1. Audit Committee meet at least four times during the year."	Compliant	At the end of last year, the Assistant Corporate Secretary delivered to each Director, including all members of the Audit Committee, and his or her assistant, the calendar of at least 6 meetings of the Audit Committee for the year.	
"2. Audit Committee approves the appointment and removal of the internal auditor."	Compliant	As set forth in the Company's New Corporate Governance Manual, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 3.2(c), first sentence, the Audit Committee recommends the appointment of the internal auditor.	
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	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities.	
"2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors."	Compliant	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Board's Corporate Governance Committee has five members, and three of those are independent directors.	
"3. Chairman of the Corporate Governance Committee is an independent director."	Non-compliant		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.
Optional Recommendation 3.3			
"1. Corporate Governance Committee meet at least twice during the year."	Compliant	At the end of last year, the Assistant Corporate Secretary delivered to each Director, including all members 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 the year.	
Recommendation 3.4			
"1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk	Compliant	The Company's New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 3.4, in part, states: "The Board, taking into consideration the Company's size, risk profile and complexity of	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Management system to ensure its functionality and effectiveness."		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.	
"2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman."	Compliant	The Chairman of the Audit, Risk Management, and Related Party Transaction Committee is an independent director.	
"3. The Chairman of the BROC is not the Chairman of the Board or of any other committee."	Compliant	As set forth in various disclosures and filings at <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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 BROC has relevant thorough knowledge and experience on risk and risk management."	Compliant	As set forth in the 20-IS, and found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , 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.	
"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 <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , 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.	
Recommendation 3.6			
"1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information."	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 found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , and these state in plain terms their respective purposes, memberships,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		structures, operations, reporting process, resources and other relevant information	
"2. Committee Charters provide standards for evaluating the performance of the Committees."	Compliant	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 <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> 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 <a href="http://www.acr.com.ph">www.acr.com.ph</a> .	
"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."			
Recommendation 4.1			
"1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission."	Compliant	As set forth in <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , "Report on Attendance of Directors at 2020 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	
"2. The directors review meeting materials for all Board and Committee meetings."	Compliant	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.	
"3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings."	Compliant	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-term strategy of the company."	Compliant	As set forth in the two documents labeled as "V. Certification of Independent Directors" and other documents in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , if non-executive Directors concurrently serve in publicly-listed companies, none of such companies exceed five in number.	
Recommendation 4.3			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"1. The directors notify the company's board before accepting a directorship in another company."	Compliant	As set forth in the Certifications of Independent Directors and other documents in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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.	
Optional Principal 4			
"1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group."	Compliant	As set forth in the disclosures and filings found in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the 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."	Compliant	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 early January, 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 2020.	
"3."	Compliant	This "Optional: Principle 4, N° 3, was left blank in the SEC Form 1-ACGR, page 19, to SEC Memorandum Circular N° 15, dated 15 December 2017. Since the SEC did not impose any requirement, the Company complied.	
"4. Board of directors meet at least six times during the year."	Compliant	As set forth in <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , "Report on Attendance of Directors at 2020 Board of Directors Meetings" document, the Directors held at least 6 meetings in 2020. At the end of last year, the Assistant Corporate Secretary delivered to each Director, and his or her assistant, the calendar of at least 6 meetings of the Board for the year.	
"5. Company requires as minimum quorum of at least 2/3 for board decisions."	Compliant	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.	
"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 higher."	Compliant	As set forth in the documents in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Board of Directors has three Independent Directors.	
Recommendation 5.2			
"1. The independent directors possess all the	Compliant	As set forth in the documents in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
qualifications and none of the disqualifications to hold the positions.” Supplement to Recommendation 5.2		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.” Recommendation 5.3	Compliant	There are no agreements or other arrangements that constrain the Directors’ ability to vote independently.	
“The independent directors serve for a cumulative term of nine years. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders’/members’ approval during the annual shareholders’/members’ meeting” Recommendation 5.4	Compliant	The current Independent Directors served a cumulative term of nine years from 2012, and the Board, before, and during, the annual stockholders’ meeting of May 20, 2021, provided meritorious justifications to retain the Independent Directors, and sought and obtained shareholders’ approval for such retention. The meritorious justifications to retain the Independent Directors are contained in the Company’s SEC Form 20-IS, and the approval by the shareholders was manifested in the retention and reelection of all three Independent Directors at the annual shareholders’ meeting.	
“1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.”	Non-compliant		As set forth in the New Corporate Governance Manual, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 5.4, first sentence: “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 Officer have clearly defined responsibilities.”	Compliant	The responsibilities of the President and Chief Executive 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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
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.”	Compliant	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.	
Recommendation 5.6 “1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.”	Compliant	The Company strictly complies with the Revised Corporation Code, sec. 32, which governs dealings by Directors, if any, with the Company.	
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.”	Compliant	As set forth in the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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.”	
Optional Principle 5 “1. None of the directors is a former CEO of the company in the past 2 years.”	Compliant	As set forth in the filings and disclosures in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , none of the Directors is a former Chief Executive Officer 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.”	Compliant	As set forth in the Company’s New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 6.1, first sentence, the “Board shall conduct an annual self-assessment of its performance...”	
“2. The Chairman conducts a self-assessment of his performance.”	Compliant	As set forth in the Company’s New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 6.1, first sentence, the Board shall conduct an annual assessment of the performance of the Chairman, which could include a self-assessment.	
“3. The individual members conduct a self-assessment of their performance.”	Compliant	As set forth in the Company’s New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 6.1, first	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		sentence, the "Board shall conduct an annual self-assessment of its performance", which could include individual self-assessments.	
"4. Each committee conducts a self-assessment of its performance."	Compliant	As set forth in the Company's New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 6.1, first sentence, the "Board shall conduct an annual self-assessment of the ... committees", which could include self-assessments by each Committee.	
"5. Every three years, the assessments are supported by an external facilitator."	Compliant	As set forth in the Company's New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 6.1, last sentence, "(e) every three years, the assessment should be supported by an independent third party."	
Recommendation 6.2			
"1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees."	Compliant	As set forth in the Company's New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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."	
"2. The system allows for a feedback mechanism from the shareholders."			
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			
"1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company."	Compliant	The Board has adopted a Code of Business Conduct and Ethics, found in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , 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.	
"2. The Code is properly disseminated to the Board, senior management and employees."	Compliant	The Board properly disseminated the Code of Business Conduct and Ethics, found in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , to the Board, senior management and employees.	
"3. The Code is disclosed and made available to the public through the company website."	Compliant	The Code is disclosed and made available to the public through the Company website <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> .	
Supplement to Recommendation 7.1			



Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes."	Compliant	The Board has adopted a Code of Business Conduct and Ethics, in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , which has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	
Recommendation 7.2			
"1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics."	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics, found in <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , 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 through the internal auditors.	
"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			
"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."	Compliant	The Company's New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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."	
Supplement to Recommendation 8.1			
"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 <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> and in <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , 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.	
"2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among	Compliant	As set forth in the annual reports in <a href="http://www.acr.com.ph">www.acr.com.ph</a> , the Company discloses in its annual report: the principal risks associated with the identity of the Company's controlling shareholders; the degree of ownership concentration; cross-holdings among the Company's affiliates; and any	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company."		imbalances between the controlling shareholders' voting power and overall equity position in the Company.	
Recommendation 8.2			
"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 <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , 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).	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , 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."	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , 8.3, states, "The Board shall fully disclose all relevant and material information on individual Directors and Officers 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."			
Recommendation 8.4			
"1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same."	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , 8.4, first sentence, states, "The Company shall clearly disclose its policies and procedure for setting Board and executive	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same."		remuneration, and the level and mix of the same..."	
"3. Company discloses the remuneration on an individual basis, including termination."	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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."	
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."	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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..."	
"2. Company discloses material or significant RPTs reviewed and approved during the year."			
Supplement to Recommendation 8.5			
"1. Company requires directors to disclose their interests in transactions or any other conflict of interests."	Compliant	The Company reminds its Directors of their duties and responsibilities, including those set forth in the Revised Corporation Code, sec. 33.	
Optional Recommendation 8.5			
"1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length."	Compliant	In the event of a Board decision authorizing an RPT, the Company discloses that the provisions of the same are fair, and at arms' length.	
Recommendation 8.6			
"1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the	Compliant	As the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 8.6, states, "The Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets that could adversely affect the viability	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
interest of its shareholders and other stakeholders.”		or the interest of its shareholders and other Stakeholders.”	
“2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.”	Compliant	The Company engages independent financial consultants to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	
Supplement to Recommendation 8.6			
“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.”	Compliant	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.	
Recommendation 8.7			
“1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).”	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“2. Company’s MCG is submitted to the SEC and PSE.”	Compliant	The Company submitted its New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , to the SEC and to the PSE on 14 September 2017.	
“3. Company’s MCG is posted on its company website.”	Compliant	The Company’s New Manual on Corporate Governance is found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> .	
Supplement to Recommendation 8.7			
“1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.”	Compliant	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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> .	
Optional Principle 8			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“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.”	Compliant	Yes, the Annual Report, SEC Form 17-A, found in three parts in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , 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.	
“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.”	Compliant	The Annual Report, Part III, found in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , contains 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.	
“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.”	Compliant	The Annual Report, SEC Form 17-A, found in three parts in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , 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.	
“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.”	Compliant	The Annual Report, SEC Form 17-A, found in three parts in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , and other documents therein, disclose and demonstrate that the Board of Directors found the Company’s internal controls/ risk management systems adequate.	
“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).”	Compliant	The Annual Report, SEC Form 17-A, found in three parts in <a href="http://www.acr.com.ph/filings.php">www.acr.com.ph/filings.php</a> , and other documents therein, disclose the key risks to which the Company is materially exposed.	
“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.”			
Recommendation 9.1			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.”	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“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.”			
“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.”	Compliant	As the New Manual on Corporate Governance, found in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
Supplement to Recommendation 9.1			
“1. Company has a policy of rotating the lead audit partner every five years.”	Compliant	The Company’s external auditor has a policy of rotating, and does rotate, the lead audit partner every five years.	
Recommendation 9.2			
“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.”	Compliant	As set forth in the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.”	Compliant	As set forth in the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
Supplement to Recommendation 9.2			
“1. Audit Committee ensures that the external auditor is credible, competent	Compliant	Annually, the Audit Committee conducts meetings with the external auditor to ensure that the latter is credible,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.”		competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	
“2. Audit Committee ensures that the external auditor has adequate quality control procedures.”	Compliant	Annually, 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.	
Recommendation 9.3		As set forth in the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
“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	As set forth in the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”	
Supplement to Recommendation 9.3			
“1. Fees paid for non-audit services do not outweigh the fees paid for audit services.”	Compliant	Fees paid by the Company to its external auditor for non-audit services, if any, do not outweigh the fees paid for audit services	
Additional Recommendation to Principle 9			
“1. Company’s external auditor is duly accredited by the SEC under Group A category.”	Compliant	As set forth in the SEC site <a href="http://www.sec.gov.ph">www.sec.gov.ph</a> , the Company’s external auditor is duly accredited by the SEC under Group A category.	
“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	Company’s external auditor has advised that they had agreed to be subjected to the SOAR Inspection Program conducted by the SEC’s OGA.	
“Principle 10: The company should ensure that material and reportable non-financial and sustainability issues are disclosed.”			
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	As set forth in the New Manual on Corporate Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 10.1, “The Board shall formulate and implement a clear and focused policy on the disclosure of non-financial	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
environmental, social and governance (EESG) issues of its business, which underpin sustainability.”		information, with emphasis on the management of economic, environmental, social and governance issues of its business.”	
“2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.”	Compliant	Through its external auditor, and consultants, the Company adopted a globally recognized standard in reporting sustainability and non-financial issues	
“Principle 11: The 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.”			
Recommendation 11.1			
“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 Principal 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, <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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, <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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 <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 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.”			



Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Supplement to Recommendation 12.1		Company's business."	
"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 issuances."	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 issuances.	
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 oversight 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. Esperdion 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 <a href="http://www.act.com.ph/corp_governance.php">www.act.com.ph/corp_governance.php</a> , 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 <a href="http://www.act.com.ph/corp_governance.php">www.act.com.ph/corp_governance.php</a> , 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 <a href="http://www.act.com.ph/corp_governance.php">www.act.com.ph/corp_governance.php</a> , 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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Supplement to Recommendation 12.4		risk exposures”.	
“1. Company seeks external technical support in risk management when such competence is not available internally.”	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.	
Recommendation 12.5			
“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).”	Compliant	As set forth in the New Manual on Corporate Governance, in <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , 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	
“2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.”			
Additional Recommendation to Principle 12			
“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.”	Compliant	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.	
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			
“1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.”	Compliant	As set forth in the New Manual on Corporate Governance, in <a href="http://www.ackr.com.ph/corp_governance.php">www.ackr.com.ph/corp_governance.php</a> , the Company discloses the rights of its shareholders.	
“2. Board ensures that basic shareholder rights are disclosed on the company’s website.”	Compliant	As set forth in the Company’s website, <a href="http://www.ackr.com.ph">www.ackr.com.ph</a> , the Company discloses the rights of its shareholders.	
Supplement to Recommendation 13.1			
“1. Company’s common share has one vote for one share.”	Compliant		
“2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.”	Compliant	This is provided for by the Revised Corporation Code, and the Company’s articles of incorporation, as amended, found in <a href="http://www.ackr.com.ph/">www.ackr.com.ph/</a> , and the Company complies with the law, and its own articles.	
“3. Board has an effective, secure, and	Compliant		

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
efficient voting system.”			
“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.”	Compliant	The Board has an effective shareholder voting mechanisms by complying with the Revised Corporation Code, and other applicable laws in found in <a href="http://www.sec.gov.ph/laws-rules-and-regulations/legislation/">www.sec.gov.ph/laws-rules-and-regulations/legislation/</a> .	
“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.”	Compliant	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.	
“6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.”	Compliant	As found in the disclosures and filings in <a href="http://www.acr.com.ph/">www.acr.com.ph/</a> , 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.	
“7. Company has a transparent and specific dividend policy.”	Compliant	As found in the disclosures and filings in <a href="http://www.acr.com.ph/">www.acr.com.ph/</a> , the Company has a transparent and specific dividend policy, which it disclosed to the public via its website.	
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 <a href="http://www.acr.com.ph/">www.acr.com.ph/</a> , 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 <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , the Company disclosed the date of the annual shareholders’ meeting on May 24 <sup>th</sup> , and therefore notified the shareholders of such a meeting, as early as February 22 <sup>nd</sup> .	
Supplement to Recommendation 13.2			
“1. Company’s Notice of Annual Shareholders’ 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 <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , the Company’s Notice of the Annual Stockholders’ Meeting is contained in its SEC Form 20-IS, and is therefore accompanied by the following information: (a) the profiles of Directors; (b) the Auditors seeking re-appointment; and (c) the proxy	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<p>directorships in other listed companies)</p> <p>b. Auditors seeking appointment/re-appointment</p> <p>c. Proxy documents.”</p> <p>Optional Recommendation 13.2</p> <p>“1. Company provides rationale for the agenda items for the annual stockholders meeting.”</p>		documents.	
<p>Recommendation 13.3</p> <p>“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.”</p> <p>“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.”</p>	Compliant	As set forth in the documents found in <a href="http://www.acr.com.ph/disclosure.php">www.acr.com.ph/disclosure.php</a> , the Company’s Notice of the Annual Stockholders’ Meeting provides rationale for the agenda items for the said meeting.	
<p>Supplement to Recommendation 13.3</p> <p>“1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.”</p>	Compliant	As found in the disclosures and filings in <a href="http://www.acr.com.ph/">www.acr.com.ph/</a> , 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.	
<p>Recommendation 13.4</p> <p>“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.”</p> <p>“2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.”</p>	Compliant	As found in the disclosures and filings in <a href="http://www.acr.com.ph/">www.acr.com.ph/</a> , the Board invites the Company’s external auditors to annual shareholders’ meeting, and they regularly attend.	
		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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		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. “	
Recommendation 13.5		As set forth in the New Manual on Corporate Governance, in <a href="http://www.aqr.com.ph/corp_governance.php">www.aqr.com.ph/corp_governance.php</a> , 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.”	
“1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.”	Compliant		
“2. IRO is present at every shareholder’s meeting.”			
Supplemental Recommendation to Principle 13			
“1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.”	Compliant	The Company has no anti-takeover measures or similar devices that 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.”	Non-compliant		The Company observes the regulations imposing a minimum public float, which has not yet reached 30%. Nonetheless, the Company is committed to Principle 13, which is still being achieved even if the float is within the percentage of current regulations but below 30%.
Optional Principle 13			
“1. Company has policies and practices to encourage shareholders to engage with the Company beyond the Annual Stockholders’ Meeting.”	Compliant	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 <a href="http://www.aqr.com.ph/investors_rel_program.ph">www.aqr.com.ph/investors_rel_program.ph</a> .	
Duties to Shareholders			
“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.”			
Recommendation 14.1			
“1. Board identifies the company’s various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.”	Compliant	As set forth in the New Manual on Corporate Governance, in <a href="http://www.aqr.com.ph/corp_governance.php">www.aqr.com.ph/corp_governance.php</a> , 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.”	
Recommendation 14.2			
“1. Board establishes clear policies and	Compliant	As set forth in the New Manual on Corporate	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
programs to provide a mechanism on the fair treatment and protection of stakeholders.”		Governance, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 14.2, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders.”	
Recommendation 14.3 “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, in <a href="http://www.acr.com.ph/corp_governance.php">www.acr.com.ph/corp_governance.php</a> , 14.3, “The Board hereby adopts a transparent framework and process to allow Stakeholders to communicate with the Company and to obtain redress for the violation of their rights.”	
Supplement to Recommendation 14.3  “1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.”	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. “	
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	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.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"2. Company respects intellectual property rights."	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 <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a> , 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 <a href="http://www.acr.com.ph">www.acr.com.ph</a> , 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 <a href="http://www.acr.com.ph/code_business_conduct.php">www.acr.com.ph/code_business_conduct.php</a> , 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 <a href="http://www.acr.com.ph/company">www.acr.com.ph/company</a>	

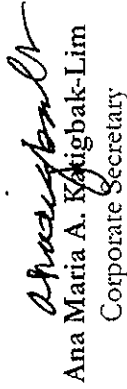
Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
penalizing employee involvement in offering, paying and receiving bribes.” Recommendation 15.3		<a href="#">policy.php</a> , on curbing and penalizing employee involved in offering, paying and receiving bribes.	
“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 <a href="#">www.acr.com.ph/company_policy.php</a> , 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.	
“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 <a href="#">www.acr.com.ph/company_policy.php</a> , 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.	
“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 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.	
“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 <a href="#">www.acr.com.ph/investor_sub_b.php</a> .	



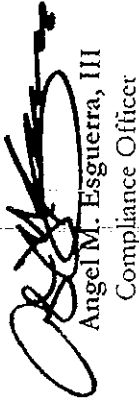
Paranaque City, June 24, 2021



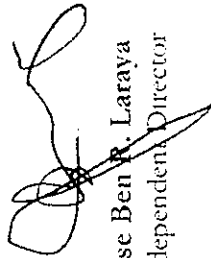
Nicasio I. Alcantara  
Chairman of the Board, President, and Chief  
Executive Officer




Ana Maria A. Katigbak-Lim  
Corporate Secretary



Angel M. Esguerra, III  
Compliance Officer



Jose Ben R. Laraya  
Independent Director



Jacinto C. Gavino, Jr.  
Independent Director

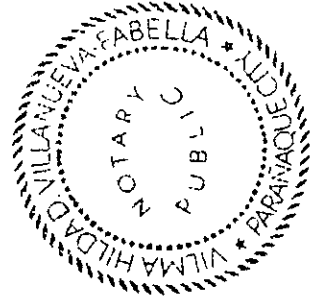


Thomas G. Aquino  
Independent Director

SUBSCRIBED AND SWORN to before me on this June 24, 2021 at Paranaque 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.	Passport No.	Passport N.	Name	Issued at/Date
Nicasio I. Alcantara	P2285039A	TIN 123 104-984	DFA Manila/3-13-2017	Jose Ben R. Laraya	DFA NCR East/ 07-22-2017
Jacinto C. Gavino, Jr.			BIR	Ana Maria A. Katigbak-Lim	BIR
Thomas G. Aquino	TIN 121-905-565		BIR	Angel M. Esguerra, III	DFA NCR South/ 10-12-2016

Doc. No. 135;  
Page No. 28;  
Book No. 10;  
Series of 2021



  
ATTY. VILMA HILDA VILLANUEVA-FABELLA  
NOTARY PUBLIC

Until December 31, 2022  
IBP No. 145308/1-07-2021/PPLM  
PTR No. 2573468/1-04-2021/Paranaque  
Roll No. 41901  
Notary Public Commission No. 119-2021/1-04-2021

# SEC Form 17-Q

# COVER SHEET

for  
17-Q

SEC Registration Number

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Company Name

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

Principal Office (No./Street/Barangay/City/Town/Province)

A	l	s	o	n	s		B	u	i	l	d	i	n	g		2	2	8	6		D	o	n		C	h	i	n	o
R	o	c	e	s		A	v	e	n	u	e		M	a	k	a	t	i		C	i	t	y						

Form Type

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Department requiring the report

M	S	R	D
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Secondary License Type, If Applicable

N	.	A	.
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## COMPANY INFORMATION

Company's Email Address

Legal@alcantaragroup.com

Company's Telephone Number/s

9823000

Mobile Number

No. of Stockholders

448

Annual Meeting  
Month/Day

May 26

Fiscal Year  
Month/Day

December 31

## CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Jonathan F. Jimenez

Email Address

jjimenez@alcantaragroup.com

Telephone Number/s

89823000

Mobile Number

N/A

Contact Person's Address

Alsons Building 2286 Don Chino Roces Avenue Makati City

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

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

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q**

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

1. For the quarterly period ended 30 June 2022
2. SEC Identification Number 59366
3. BIR Tax Identification Number - 001-748-412
4. Exact name of registrant as specified in its charter: ALSONS CONSOLIDATED RESOURCES, INC.
5. Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Alsons Bldg., 2286 Pasong Tamo Extension,  
Makati City 1231  
Address of principal office Postal Code
8. (632) 8982-3000  
Registrant's telephone number, including area code
9. Not Applicable  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the SRC  

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
<b>Common Stock P 1.00 par value</b>	<b>6,291,500,000 Shares</b>
11. Are any or all of these securities listed on the Philippine Stock Exchange ?  
  
Yes ☒ No ☐  
  
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:  
Philippine Stock Exchange Common Stock
12. Check whether the registrant:  
  
(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):  
  
Yes ☒ No ☐  
  
(b) has been subject to such filing requirements for the past 90 days.  
  
Yes ☒ No ☐

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## PART I -- FINANCIAL INFORMATION

### Item 1. Financial Statements

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

Interim Financial Statements as of June 30, 2022 and 2021 (with Comparative Audited Consolidated Balance Sheet as of December 31, 2021).

#### Key Performance Indicators

The following key performance indicators were identified by the Company and included in the discussion of the results of operations and financial condition for the Six Months ended June 30 31, 2022 and 2021. (Amounts in million pesos, except ratios)

Financial KPI	Definition	June 30	
		2022	2021
<u>Profitability</u>			
<b>REVENUES</b>		<b>₱5,406</b>	<b>₱4,631</b>
<b>EBITDA</b>		<b>2,288</b>	<b>2,554</b>
EBITDA Margin	$\frac{\text{EBITDA}}{\text{Net Sales}}$	<b>51%</b>	<b>55%</b>
Return on Equity	$\frac{\text{Net Income}}{\text{Total Average Stockholders' Equity}}$	4%	5%
<b>NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>181</b>	<b>267</b>
<u>Efficiency</u>			
Operating Expense Ratio	$\frac{\text{Operating Expenses}}{\text{Gross Operating Income}}$	26%	14%
<u>Liquidity</u>			
Net Debt Coverage	$\frac{\text{Cash Flow from Operating Activities}}{\text{Net Financial Debt}}$	8%	10%
<b>CURRENT RATIO</b>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.16:1	1.06:1
<b>DEBT-TO-EQUITY RATIO</b>		2.10:1	2.64:1
Asset-to-equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	2.59:1	2.90:1
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Expense}}$	2.00:1	2.94:1

#### Profitability

Earnings before interest, taxes, depreciation and amortization (EBITDA) margin of the Company decreased during the first half of the year to 51% from the same period last year at 55%. The Company's operating power plants continue to provide the Group's earnings. Return on equity (ROE) remain stable at 4%, slightly down from % last year.

## Efficiency

ACR's power facilities operate and continue to provide power to our customers in various parts of Mindanao amidst the continuing treats of the COVID19 Pandemic. The 210 mega-watt (MW) Sarangani Energy Corporation (SEC) baseload coal-fired power plant in Maasim, Sarangani with both sections delivering electricity to General Santos City, Sarangani Province, Cagayan de Oro, Iligan, Butuan, and other major population centers in Mindanao. The 100 MW diesel plant of the Western Mindanao Power Corporation (WMPC) in Zamboanga City continues to be a major power to Zamboanga City. WMPC likewise provides ancillary services to the National Grid Corporation of the Philippines (NGCP) with dispatchable generating capacity, reactive power support, and black start capability to help stabilize the power grid in the Zamboanga Peninsula (Western Mindanao/Region 9). Also last year, the Company tendered a proposal for the group's Southern Philippines Power Corp. (SPPC) diesel plant in Sarangani to provide ancillary services to NGCP in order to help stabilize the power grid in Region 12 or South Central Mindanao. The outcome of this proposal remain pending. The Company is likewise actively exploring prospective markets for its diesel capacity in areas outside of Mindanao where the demand for power is growing.

The Siguil Hydro Power Plant in Maasim Sarangani is in full swing and is expected to be in commercial operations in May 2023, there are expense items that are not allowed to be capitalized as such the operating expense ratio increased to 26% from 14% in the previous year. The operating efficiency of the power plants is expected to continue in accordance with the plans and budgets.

ACR's cash flows from operations this year remain stable at ₱1.67 billion from last year's 2.06 billion. The decline was due to payment of trade payables in the first half of the year. The net debt coverage decreased to 2.59% from 2.90% in the previous year while current ratio improved to 1.16:1 from last year's 1.06:1.

## **DESCRIPTION OF KEY PERFORMANCE INDICATORS:**

1. **REVENUES.** Revenue is the amount of money that the company subsidiaries receive arising from their business activities and is presented in the top line of the statements of income. The present revenue drivers of the Company are i) energy and power and ii) real estate. Revenue growth is one of the most important factors management and investors use in determining the potential future stock price of a company and is closely tied to the earnings power for both the near and long-term timeframes. Revenue growth also aids management in making a sound investment decision.
2. **EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA).** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Company to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Company's ability to service its debts and to finance its capital expenditure and working capital requirements.
3. **NET EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT.** Net income attributable to shareholders is one more step down from net income on the income statement. The net income of a company is all of the revenues minus all of the expenses including interest expenses and taxes. Net income attributable to shareholders is the net income minus the non-controlling interests. This aids management and investors in identifying company's profit allocated to each outstanding share.
4. **DEBT-TO-EQUITY RATIO.** This measures the company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

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

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

**RESULTS OF OPERATIONS**

The first half of 2022 showed steady flow of revenues at ₱5,406 million from last year's ₱4,631 million. The demand for power in Mindanao has recovered after the lockdown imposed last year due to the Covid-19 Pandemic. We forecast that power demand in Mindanao to be stable for the rest of the year as we recover from the effect of the Pandemic.

Cost of goods sold and services increased significantly from ₱2,624 million to ₱3,460 million, this year due mainly to the high cost of fuel. Gross profit margin remain stable at 36% delivering a steady gross profit of ₱1,945 million for the first half of the year and ₱2,007 million for the same period in 2021.

General and administrative expenses increased to ₱403 million from ₱241 million last year due mainly to higher marketing expenses and one time settlements of expenses. Most of the Company's personnel are now back to office and some still on a work-from home arrangements to minimize if not totally avoid the covid virus.

Net finance charges for the first half of this year was at ₱781 million compared to last year's ₱861 million. The decline is due mainly to the lower interest of the Parent because of lower interest rates and the continuing amortization of maturing debts.

Due to the above variances, the net income is lower at ₱689 million from last year's ₱871 million resulting and the net income attributable to the Parent of ₱181 million from last year's ₱267 million. Earnings per share were at ₱0.029 during this period.

**REVIEW OF FINANCIAL POSITION**

ACR and its Subsidiaries continue to post strong balance sheets with total assets of ₱47,973 million a slight increase from the ₱47,756 million at the end of 2021.

Current assets slightly increased by 5% from ₱11,204 million to ₱11,764 million brought about by the higher trade and other receivables and inventories during the period.

Non-current assets slightly decreased from ₱36,552 million to ₱36,208 million. The slight decrease is due to the depreciation expense recognized during the period.

Total liabilities amounted to ₱29,799 million is slightly lower than the ₱29,804 million reported at the end of 2021. The settlement of trade payables was partly offset by the additional loans payable during the period which was used for the construction of Siguil Hydro power plant project.

As of June 30, 2022, ACR's current ratio improved to 1.16 from last year's 1.06 while Debt to equity ratio decreased to 2.10:1 from 2.64:1 last year.

ACR's consolidated statement of cash flows showed that cash from operating activities is the major source of funding for payment of maturing obligations during the period.

- i. Causes of the material changes (5% or more) in balances of relevant accounts as of June 30, 2022 compared to December 31, 2021 are as follows:



- a) **Cash and cash equivalents** – Increased 30%  
The increase is due mainly to the timing of collection of trade receivables as well as the proceeds of the Commercial Paper sold during the end of June this year that remained unused.
- b) **Trade and other receivables** – Increased 6%  
The Increase is due mainly to the timing of collections of trade and other receivables during the period.
- c) **Spare parts and supplies** – Increased 14%  
The increase is due mainly to the acquisition of coal during the period.
- d) **Prepaid expenses and other current assets** – decreased 61%  
The decrease was due to the release of DSRA of SEC during the during the period.
- e) **Advances to contractors** – increased 47%  
The increase was due to the additional advances made to the Contractor of Siguil Hydro Project during the period.
- f) **Contract Asset** – Increased 3%  
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.
- g) **Accounts Payable and Accrued Expenses** – Decreased 38%  
The decrease was due to the timing of payments during the period.
- f) **Loans payable** – Increased 27% and **Short-term Loans Payable** – Increase 82%  
On June 27, 2022, the Company listed P1.265 billion series R and S Commercial Paper with PDS with 6 months and one year tenor. The proceeds from the issuance which remain outstanding as of June 30, 2022, was for general working capital purposes.
- g) **Income tax payable** – Decrease 19%  
Timing of payments of income tax payable led to the decrease in this account during the period.
- h) **Long-term debt** – Decrease 5%  
The decrease was due to the continued amortization of maturing portion of the loan.
- i) **Noncontrolling Interest** – Increase 9%  
The income recognized representing share of the minority shareholders has led to the increase in this account.

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

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

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

## **PART II -- OTHER INFORMATION**

### **Other Required Disclosures**

1. The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2021.
2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the interim period.
3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
4. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.
5. There were no material events subsequent to June 30, 2022 up to the date of this report that need disclosure herein.
6. There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
7. There were no changes in contingent liabilities or contingent assets since December 31, 2021.
8. There were no material contingencies and other material events or transactions affecting the current interim period.
9. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
10. There were no known trends, events or uncertainties that have had or that were reasonably expected to have a material favorable or unfavorable impact to the Company.
11. There was no significant element of income or loss that did not arise from the Company's continuing operations.
12. There were no known seasonal or cyclical aspects that had a material effect on the financial condition or results of operations for the interim period.
13. There were no material commitments for capital expenditures, the general purpose of such commitments and the expected sources for such expenditures.
14. Any seasonal aspects that had a material effect on the financial condition or results of operations.

ACR being a holding company had no seasonal aspects that will have any material effect on its financial condition or operational results.

ACR's power business units generated a fairly stable stream of revenues throughout the year.

ACR's real property development did not show any seasonality. The remaining real estate inventory of Alsons Land did not show signs of impairments during the period.

There are NO matters and events that need to be disclosed under SEC Form 17-C.

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

### ALSONS CONSOLIDATED RESOURCES, INC.

Issuer

By:

Registrant :

  
\_\_\_\_\_  
TIRSO G. SANTILLAN, JR.  
Executive Vice-President & COO

Date:

08.11.22

  
\_\_\_\_\_  
ALEXANDER BENHUR M. SIMON  
Group Chief Finance Officer

Date:

08.10.22

# Alsons Consolidated Resources, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements  
As at June 30, 2022 and for the Six-Month Periods Ended  
June 30, 2022 and 2021  
*(With Comparative Audited Consolidated Balance Sheet as at  
December 31, 2021)*

**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS****JUNE 30, 2022****(With Comparative Audited Figures as at December 31, 2021)**

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	₱3,712,188,139	₱2,864,190,106
Short-term cash investments (Note 4)	121,301,649	112,434,574
Trade and other receivables (Note 5)	5,100,172,465	4,833,860,679
Inventories – at cost	1,724,854,395	1,517,325,850
Real estate inventories (Note 6)	623,473,564	632,070,639
Prepaid expenses and other current assets (Note 10)	481,714,056	1,244,315,920
<b>Total Current Assets</b>	<b>11,763,704,268</b>	<b>11,204,197,768</b>
<b>Noncurrent Assets</b>		
Noncurrent portion of installment receivables	3,511,969	3,511,969
Contract asset	1,778,204,435	1,732,320,376
Investments in real estate (Note 6)	517,343,506	513,872,270
Investments in associates (Note 6)	2,294,072,358	2,275,982,933
Advances to contractors	219,114,569	149,040,874
Property, plant and equipment (Note 7)	27,999,056,461	28,094,837,067
Equity instruments designated at fair value through other comprehensive income (FVTOCI) (Note 8)	2,361,796,426	2,361,796,426
Goodwill (Note 9)	692,187,320	692,187,320
Net retirement assets	20,269,754	20,416,872
Deferred income tax assets – net	55,516,885	43,020,477
Other noncurrent assets	267,785,696	665,274,120
<b>Total Noncurrent Assets</b>	<b>36,208,859,378</b>	<b>36,552,260,704</b>
<b>TOTAL ASSETS</b>	<b>₱47,972,563,646</b>	<b>₱47,756,458,472</b>

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Note 11)	₱2,645,464,503	₱4,242,667,392
Loans payable	2,002,389,773	1,570,535,030
Short-term notes payable	3,541,398,267	1,943,104,063
Income tax payable	48,661,229	60,228,044
Current portion of long-term debt	1,890,176,402	1,713,027,825
<b>Total Current Liabilities</b>	<b>10,128,090,174</b>	<b>9,529,562,354</b>
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion	17,882,359,738	18,874,181,664
Deferred income tax liabilities - net	731,187,780	722,715,130
Net retirement benefits liabilities	85,676,682	75,405,409
Lease liability	30,767,661	7,808,237
Deferred credit	168,848,386	168,848,386
Decommissioning liability	434,749,008	425,824,476
<b>Total Noncurrent Liabilities</b>	<b>19,333,589,255</b>	<b>20,274,783,302</b>
<b>Total Liabilities</b>	<b>29,461,679,429</b>	<b>29,804,345,656</b>

(Forward)

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

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2022**

**(With Comparative Audited Figures as at December 31, 2021)**

	<b>June 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
<b>Equity (Note 12)</b>		
Capital stock	<b>₱6,344,483,333</b>	₱6,344,483,333
Other equity reserves	<b>2,532,325,677</b>	2,532,325,677
Retained earnings:		
Unappropriated	<b>2,081,922,614</b>	2,031,472,491
Appropriated	<b>1,100,000,000</b>	1,100,000,000
Attributable to equity holders of the parent	<b>12,058,731,624</b>	12,008,281,501
Non-controlling interests	<b>6,452,152,593</b>	5,943,831,315
<b>Total Equity</b>	<b>18,510,884,217</b>	17,952,112,816
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱47,972,563,646</b>	₱47,756,458,472

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

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

	Six Months Ended June 30		Three Months April to June	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
<b>REVENUE</b>				
Revenue from contract with customers	P5,399,638,793	P4,626,137,265	2,727,713,154	2,468,981,071
Rental income and others	6,067,422	5,387,292	3,309,682	2,635,552
	<b>5,405,706,215</b>	<b>4,631,524,557</b>	<b>2,731,022,836</b>	<b>2,471,616,623</b>
<b>INCOME (EXPENSES)</b>				
Cost of goods and services	(3,460,393,074)	(2,624,441,880)	(1,741,571,332)	(1,434,329,919)
General and administrative expenses	(402,949,551)	(240,875,594)	(183,080,382)	(127,729,260)
Finance income (charges) - net	(780,953,416)	(860,628,027)	(398,715,506)	(401,402,700)
Other income - net	27,327,016	46,851,430	9,400,744	30,798,692
	<b>(4,616,969,025)</b>	<b>(3,679,094,071)</b>	<b>(2,313,966,476)</b>	<b>(1,932,663,187)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>788,737,190</b>	<b>952,430,486</b>	<b>417,056,360</b>	<b>538,953,436</b>
<b>PROVISION FOR (BENEFIT FROM)</b>				
<b>INCOME TAX (Note 13)</b>				
Current	102,657,414	85,864,881	56,947,902	46,363,439
Deferred	(2,921,625)	(4,790,997)	(4,827,008)	192,998
	<b>99,735,789</b>	<b>81,266,682</b>	<b>52,120,894</b>	<b>46,556,437</b>
<b>NET INCOME</b>	<b>P689,001,401</b>	<b>P871,163,604</b>	<b>364,935,456</b>	<b>492,396,999</b>
<b>Attributable to:</b>				
Owners of the parent (Note 13)	P180,680,123	P267,061,062	90,515,267	124,185,080
Non-controlling interest	508,321,278	604,102,542	274,420,199	368,211,919
	<b>P689,001,401</b>	<b>P871,163,604</b>	<b>364,935,466</b>	<b>492,396,999</b>
<b>Basic/diluted earnings per share attributable to owners of the parent</b>	<b>P0.029</b>	<b>P0.042</b>	<b>0.014</b>	<b>0.020</b>

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



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

	Six Months Ended June 30		Three Months April to June	
	2022	2021		
	(Unaudited)	(Unaudited)		
<b>NET INCOME FOR THE PERIOD</b>	<b>₱689,001,401</b>	<b>₱871,163,604</b>	<b>364,935,466</b>	<b>492,396,999</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain (loss) on valuation of AFS financial assets	-	-		
Translation adjustment	-	-		
	-	-		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱689,001,401</b>	<b>₱871,163,604</b>	<b>364,935,466</b>	<b>492,396,999</b>
<b>Attributable to:</b>				
Owners of the parent	<b>₱180,680,123</b>	<b>₱267,061,062</b>	<b>90,515,267</b>	<b>124,185,080</b>
Non-controlling interests	<b>508,321,278</b>	<b>604,102,542</b>	<b>274,420,199</b>	<b>368,211,919</b>
	<b>₱689,001,401</b>	<b>₱871,163,604</b>	<b>364,935,466</b>	<b>492,396,999</b>

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

**ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021**

	Attributable to Equity Holders of the Parent Company									
	Unrealized		Cumulative Translation Adjustment	Equity Reserves	Retained Earnings		Sub-total	Total	Non-controlling Interests (Note 1)	Total
	Capital Stock (Note 12)	Remeasurement of Gains (Losses) on Defined Benefit Plan			Gains (Losses) on Financial Assets (Note 8)	Unrealized Gains (Losses) on AFS				
Balance at December 31, 2020	₱6,340,083,333	(₱7,319,314)	₱1,679,092,204	₱854,620,762	₱2,479,124,830	₱1,757,146,902	₱1,100,000,000	₱11,676,355,065	₱3,362,420,875	₱14,854,696,561
Net income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-
Collection of subscription	4,400,000	-	-	-	-	267,061,062	-	267,061,062	604,102,542	871,163,604
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	-
Dividend declaration	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2021	₱6,340,083,333	(₱7,319,314)	₱1,679,092,204	₱854,620,762	₱2,479,124,830	₱1,893,977,964	₱1,100,000,000	₱11,817,586,127	₱4,464,458,456	₱16,282,044,583
Balance at December 31, 2021	₱6,344,483,333	₱12,604,820	₱1,695,472,933	₱854,620,762	₱2,532,325,677	₱2,031,472,491	₱1,100,000,000	₱12,008,281,501	₱5,943,831,315	₱17,952,112,816
Net income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	-
Dividend declaration	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2022	₱6,344,483,333	₱12,604,820	₱1,695,472,935	₱854,620,762	₱2,532,325,672	₱2,121,637,347	₱1,100,000,000	₱12,058,731,624	₱6,452,152,593	₱18,510,884,217

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30	
	2022	2021
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P788,737,190	P952,430,486
Adjustments for:		
Depreciation and amortization	718,787,963	741,902,259
Interest income	(5,569,834)	(8,119,706)
Finance charges	786,522,502	965,550,154
Retirement cost	(3,508,816)	17,695,062
Equity in net earnings of an associate	(18,089,425)	(43,690,000)
Operating income before working capital changes	2,266,880,328	2,625,768,255
Increase (increase) in:		
Trade and other receivables	(266,311,786)	(487,990,054)
Contract asset	-	150,529,838
Prepaid expenses and other current assets	762,601,864	36,813,655
Spare parts and supplies	(207,528,545)	(60,418,491)
Increase (decrease) in:		
Accounts payable and other current liabilities	(941,898,003)	(95,971,166)
Contract liability	8,924,532	30,212,140
Decommissioning liability and lease liability	-	(31,690,887)
Net cash flows from operations	1,622,668,390	2,167,690,887
Increase (decrease) in income tax payable	44,286,045	(101,393,716)
Net cash flows from (used in) operating activities	1,666,954,437	2,065,859,574
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in:		
Other noncurrent assets	(379,398,999)	412,723,788
Retirement benefits assets	147,118	272,643
Short-term cash investments	(8,867,075)	(253,144,020)
Investments in real estate	-	(187,983,245)
Additions to property, plant and equipment (Note 7)	(623,007,357)	(696,941,433)
Interest received	5,569,086	8,119,706
Payment of advances to contractors	(70,073,695)	176,970,482
Increase in other noncurrent liabilities	-	548,202
Net cash flows from (used in) investing activities	(1,093,720,347)	(370,585,491)

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

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Availment of long-term debts	<b>P-</b>	<b>P-</b>
Availment of short-term loans	<b>2,030,148,947</b>	<b>1,146,507,424</b>
Payments of:		
Payment of short-term loans	<b>(239,343,645)</b>	<b>(414,461,593)</b>
Long-term debt	<b>(991,821,926)</b>	<b>(688,533,266)</b>
Interest	<b>(786,522,502)</b>	<b>(863,723,315)</b>
Lease liability	<b>22,959,424</b>	<b>-</b>
Dividends	<b>-</b>	<b>(293,530,000)</b>
Additions to interest reserve account	<b>-</b>	<b>(60,169,254)</b>
Net cash flows used in financing activities	<b>274,763,943</b>	<b>(1,173,910,004)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>847,998,033</b>	<b>521,364,079</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,864,190,106</b>	<b>2,702,894,906</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)</b>	<b>P3,712,188,139</b>	<b>P 3,224,258,985</b>

*See accompanying Notes to Interim Condensed Consolidated Financial Statements*

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

**1. General Information**

Corporate Information

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

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			
		2022		2021	
		Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	100.00	—
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	—	55.00	—	55.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
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
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	—
Bago Hydro Resources Corporation	Power generation	—	80.00	—	—
Alsons Thermal Energy Corporation (ATEC)	Power generation	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
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
Alsons Land Corporation (ALC)	Real estate	99.55	—	99.55	—
MADE (Markets Developers), Inc.	Distribution	80.44	—	80.44	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	—	100.00	—
Alsons Power Supply Corporation (APSC)	Customer Service	100.00	—	100.00	—

\*50% ownership plus 1 share of the total 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

*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.

#### *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 of the Audited Financial Statements). The Parent Company recognized a gain amounting to ₱709

million, net of transaction costs totaling to ₱169 million. 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 of the Audited Financial Statements).

*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 Maasin, 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 March 31, 2022 and December 31, 2021, 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 June 30, 2022, 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. The final selection of the EPC contract, however, is deferred. The issuance of Notice to Proceed (NTP) is projected for the fourth quarter in 2022, corresponding to a Commercial Operations Date of 2025.

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

#### *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%.

*Siguil and Kalaong.* ACR organized and incorporated Siguil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil's 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, Siguil has commenced its construction and expected to commence operations in May 2023.

*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 June 30, 2022, Bago and Sindangan have not yet started commercial operations.

#### Property Development

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

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

#### Other Investments

*MADE.* MADE, which is in the distribution business, has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt about MADE's ability to continue operating as a going concern. As at March 31, 2021, 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.



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## 2. Basis of Preparation and Statement of Compliance

### Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as at June 30, 2022 and for the three-month periods ended March 31, 2022 have been prepared in accordance with the Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements have been prepared under the going concern assumption. The Group believes that its businesses would remain relevant despite challenges posed by the COVID-19 pandemic. Despite the adverse impact of the COVID-19 pandemic on short-term business results, long-term prospects remain attractive.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021.

### 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 balance sheet, separately from equity attributable to the equity holders of the Parent Company.

#### Material Partly-Owned Subsidiaries

The tables below show details of materially partly-owned subsidiaries of ACR 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	
			2022	2021
SPPC	Philippines	Power generation	45.0%	45.0%
WMPC	Philippines	Power generation	45.0%	45.0%
ATEC	Philippines	Holding Company	50.0%	50.0%
Sarangani	Philippines	Power generation	62.5%	62.5%

(Amounts in Thousands)	June 30, 2022			December 31, 2021		
	SPPC	WMPC	ATEC	SPPC	WMPC	ATEC
Current Assets	₱141,731	₱1,089,160	₱4,704,858	₱143,606	₱930,940	₱5,615,349
Noncurrent Assets	179,994	281,803	25,695,878	199,555	290,351	26,356,311
Current Liabilities	(40,667)	(233,315)	(4,267,046)	(40,219)	(215,900)	(5,613,136)
Noncurrent Liabilities	(53,248)	(115,725)	(12,507,693)	(55,840)	(102,407)	(13,483,101)
Equity	₱227,809	₱1,021,922	₱13,625,997	₱247,102	₱902,984	₱12,875,423
Equity Attributable to:						
Equity holders of the parent	₱124,083	₱548,701	₱7,834,616	₱134,591	₱484,840	₱7,403,054
Non-controlling interest	103,726	473,221	5,591,381	112,511	418,144	5,472,369
	₱227,809	₱1,021,922	₱13,625,997	₱247,102	₱902,984	₱12,875,423

### **3. Changes in Accounting Policies and Disclosures**

#### New Standards Effective Starting January 1, 2021

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, 2021. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The Group adopted the amendment beginning April 1, 2021. The Group adopted the amendments beginning January 1, 2020. The amendments did not have a material impact on the Group.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021. The amendments did not have a material impact on the Group.

*Effective beginning on or after January 1, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3,

*Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments have no material impact on the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments have no material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments have no material impact on the Group.

- Annual Improvements to PFRSs 2018-2020 Cycle

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments have no material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

#### 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, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

*Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

*Effective beginning on or after January 1, 2025*

- **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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The adoption will not materially affect the Group.

*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 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.

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#### 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 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 solely payments of principal and interest (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, debt reserve account, due from related parties, contract assets 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 debt 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.

#### Modification of Financial Assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered SPPI

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the

cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

#### *Financial liabilities*

A financial liability (or a part of 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 or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the statement of income.

#### *Exchange or modification of financial liabilities*

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When 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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

#### 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.

#### Inventories

These consist of coal, fuel and other inventories which are valued at the lower of cost and net realizable value (NRV). Cost of inventories is determined using the moving-average method for coal and fuel inventory and first-in, first-out (FIFO) cost method for other inventories. NRV is the current replacement cost.

When the circumstances that previously caused the inventories to be written down below cost no longer exist, or when there is clear evidence 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.

#### 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 PFRS 9 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*

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.

#### Government Grant

Government grants are recognized as deferred credit where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. With the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in profit or loss within the depreciation and amortization on a straight-line basis over expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

#### 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

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.

#### 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

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 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.

#### 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 liabilities*

The decommissioning liabilities arose from the WMPC's, SPPC's and Sarangani's obligations, under the ECC, to decommission or dismantle their power plant complexes 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 liabilities. 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.

### 3. Segment Information

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

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

Three-Month Period Ended June 30, 2022						
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
<b>Earnings Information:</b>						
Revenues						
External customer	P 5,377,667,376	P28,038,839	P -	P5,405,706,215		P5,405,706,215
Inter-segment	59,565,606	2,046,078	-	61,611,684	(61,611,684)	-
Total revenues	5,437,232,982	30,084,917	-	5,467,317,899	(61,611,684)	5,405,706,215
Finance income	3,744,718	715,128	1,109,240	5,569,086		5,569,086
Finance charges	(639,225,745)		(147,296,757)	(786,522,502)		(786,522,502)
Provision for income tax	95,504,153	4,231,636	-	99,735,789	-	99,735,789
Net income (loss)	P826,449,423	P9,711,839	(P147,296,757)	P689,001,401		P689,001,401
Six-Month Period Ended June 30, 2021						
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
<b>Earnings Information:</b>						
Revenues						
External customer	P4,626,137,265	P5,387,292	P-	P4,631,524,557	P-	P4,631,524,557
Inter-segment	42,450,642	193,431	163,500,000	206,144,073	(206,144,073)	-
Total revenues	4,626,137,265	5,580,723	163,500,000	4,837,668,630	(206,144,073)	4,631,524,557
Finance income	6,102,827	361,635	2,123,591	8,588,071	(468,365)	8,119,706
Finance charges	(715,985,562)	-	(152,762,171)	(868,747,733)		(868,747,733)
Provision for income tax	84,532,342	-	-	84,532,342	(3,265,461)	81,266,882
Net income (loss)	P1,016,388,469	(P12,151,714)	(P19,542,095)	P984,694,660	(P113,531,057)	P871,163,604

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

	<b>June 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Cash on hand	<b>₱637,500</b>	<b>₱537,126</b>
Cash in banks	<b>3,150,032,629</b>	<b>2,295,314,393</b>
Cash equivalents	<b>561,518,010</b>	<b>568,338,587</b>
	<b>₱3,712,188,139</b>	<b>₱2,864,190,106</b>

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 ₱122 million and ₱112 million as at June 30, 2022 and December 31, 2021, respectively, consist of money market placements with maturities of more than three months but less than one year with interest ranging from 1.5% to 4.10%.

Interest income from cash and cash equivalents and short-term cash investments amounted to ₱5 million and ₱11 million as of June 30, 2022 and December 31, 2021, respectively.

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**5. Trade and Other Receivables**

	<b>June 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Trade:		
Power	<b>₱2,170,261,368</b>	<b>₱2,213,099,407</b>
Real estate	<b>97,327,035</b>	<b>81,126,457</b>
Product distribution and others	<b>31,730,458</b>	<b>31,730,458</b>
Due from related parties and others	<b>2,859,804,992</b>	<b>2,551,160,264</b>
Contract assets	<b>1,828,736,954</b>	<b>1,782,852,895</b>
	<b>6,987,860,807</b>	<b>6,674,624,962</b>
Less noncurrent portion of :		
Installment receivables	<b>3,551,969</b>	<b>3,551,969</b>
Contract assets	<b>1,778,204,435</b>	<b>1,732,320,376</b>
	<b>1,781,756,404</b>	<b>1,735,832,345</b>
	<b>5,206,104,403</b>	<b>4,938,792,617</b>
Less allowance for impairment losses	<b>105,931,938</b>	<b>104,931,938</b>
	<b>₱5,100,172,465</b>	<b>₱4,833,860,679</b>

**Power**

These receivables are noninterest-bearing and are generally on 30 days term.

In 2021 and 2020, the Group has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs have no significant impact to the consolidated financial statements.

Noncurrent portion of trade receivables amounted to ₱4 million as of December 31, 2021.

Trade receivables include SPPC's long-outstanding receivables from NPC amounting to ₱89 million as at December 31, 2021 and 2020. These receivables pertain to the portion of accounts that was disputed by NPC and was eventually decided by the Supreme Court in 2016, holding NPC liable to pay SPPC for the additional 5 MW from 2005 to 2010.

On October 14, 2020, SPPC filed a Motion to Resolve with the Commission on Audit (COA) requesting COA to immediately resolve the Petition for Money Claim.

On November 26, 2021, the COA issued its decision partially granting SPPC's Petition for Money Claim as against the NPC and directing the parties to submit a memorandum or comment on whether the obligation of NPC under the ECA is among the obligations assumed by PSALM, on December 14, 2021, SPPC filed its comment on the decision. On December 31, 2021, the NPC filed its comment on the decision. The issue on whether PSALM assumed the NPC's obligation to SPPC under the ECA remains pending before the COA.

As of June 30, 2022 and December 31, 2021, SPPC did not yet recognize the balance of the claim from NPC since management believes that the claim is not yet virtually certain as it requires further review by the COA and appropriation of funds for NPC to release the amount of the claim.

#### 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 as at June 30, 2022 and December 31, 2021, respectively, which are collectible in monthly installment over a period of two to 10 years and bear interest rates ranging from 18% to 21% computed on the outstanding balance of the principal. Title on the lots sold is passed on to the buyer only upon full settlement of the contract price.

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

#### Product Distribution and Others

These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for impairment losses as at June 30, 2022 and December 31, 2021.

#### Retention Receivable

Retention receivables pertain to the outstanding balances from Aboitiz Land, Inc. (Aboitiz) for the sale of investment in Lima Land Inc. (LLI), which will be collected accomplishment of certain milestones.

#### Due from Related Parties and Other Receivables

Related Party Transactions - The movement in this account from December 31, 2021 to June 30, 2022 is not material.

Parties are considered to be related if one party has 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.

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 during the Year		Due from related parties	Terms	Conditions
Major Shareholder	2022	114,592,192	2,315,768,057	30 days,	Party
	2021	405,549,937	2,201,175,865	noninterest bearing	secured, no impairment
Subsidiaries of major stockholders	2022	-	185,814,209	30 days,	Party
	2021	35,780,977	185,814,209	noninterest bearing	secured, no impairment
Affiliates	2022	-	63,616,223	30 days,	Party
	2021	-	63,616,223	noninterest bearing	secured, no impairment
Total	2022	-	2,565,198,489		
	2021	441,390,914	2,450,606,297		

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"

The Parent Company has various advances to third parties that were nonmoving since prior years. These advances have been specifically identified to be potentially uncollectible and thus, provided with allowance amounting to ₱16 million as at June 30, 2022 and December 31, 2021.

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

### Real Estate Inventories

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Eagle Ridge Project (General Trias, Cavite) - at cost	₱608,290,045	₱616,887,120
Campo Verde Project (Lipa and Malvar, Batangas) - at NRV	15,183,519	15,183,519
	<b>₱623,473,564</b>	<b>₱632,070,639</b>

### Investments in Real Estate

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ALC Property (Pasong Tamo, Makati)	₱134,222,728	₱134,222,728
KAED Property (Maasim, Sarangani)	325,647,811	322,176,574
Batangas Project (Lipa and Malvar, Batangas)	52,787,031	52,787,031
Laguna Project (Cabuyao, Laguna)	4,685,936	4,685,936
	<b>₱517,343,506</b>	<b>₱513,872,270</b>

## 7. Investments in Associates

	Percentage of Ownership		June 30, 2022	December 31, 2021
	2022	2021		
At equity:				
Acquisition costs:				
Indophil Resources Phils., Inc.	2.00	2.00	<b>₱1,216,310,412</b>	<b>₱1,216,310,412</b>
Aviana Dev't. Corporation	34.00	34.00	<b>963,311,802</b>	<b>963,311,802</b>
RCPHI	31.24	31.24	<b>80,851,701</b>	<b>80,851,701</b>
T'boli Agro-Industrial Dev't., Inc.	22.32	22.32	<b>66,193,299</b>	<b>66,193,299</b>
			<b>2,326,667,214</b>	<b>2,326,667,214</b>
Accumulated equity in net earnings				
Balance at beginning of year			<b>96,360,719</b>	<b>48,903,020</b>
Share in net earnings			<b>18,089,425</b>	<b>72,357,699</b>
Dividends			-	<b>(24,900,000)</b>
Balance at end of period			<b>114,450,144</b>	<b>96,360,719</b>
Accumulated impairment loss			<b>(147,045,000)</b>	<b>(147,045,000)</b>
			<b>₱2,294,072,358</b>	<b>₱2,275,982,933</b>

### 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 P3 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 P36 million. In August 2015, the Parent Company subscribed to additional 261,450 preferred shares and 29,050 common shares of Aviana for P22 million. The additional subscription to shares of Aviana in 2015 increased the Parent Company's interest in Aviana to 34%.

## 7. Property, Plant and Equipment

Balances as at June 30, 2022

	Land	Buildings and Leasehold Improvements	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Machinery and Other Equipment	Construction in Progress	Right-of-use Asset - Building	Total
<b>Cost</b>								
Balances at beginning of year	376,182,019	199,579,185	30,911,973,871	7,270,736,802	1,461,410,724	2,673,299,998	48,953,104	42,942,135,703
Additions	-	-	-	-	-	623,007,357	-	623,007,357
Disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Adjustment to decommissioning liability	-	-	-	-	-	-	-	-
Balances at end of year	376,182,019	199,579,185	30,911,973,871	7,270,736,802	1,461,410,724	3,296,307,355	48,953,104	43,565,143,060
<b>Accumulated Depreciation</b>								
Balances at beginning of year	-	189,576,063	9,666,911,807	4,074,944,767	868,326,342	583,248	46,956,409	14,847,298,636
Depreciation for the year	-	94,742	588,269,242	87,366,160	41,371,471	-	1,686,348	718,787,963
Disposals	-	-	-	-	-	-	-	-
Balances at end of year	-	189,670,805	10,255,181,049	4,162,310,927	909,697,813	-	48,642,757	15,566,086,599
<b>Net Book Value</b>	<b>¥376,182,019</b>	<b>¥9,908,380</b>	<b>¥20,656,792,822</b>	<b>¥3,108,425,875</b>	<b>¥551,712,911</b>	<b>¥3,295,724,107</b>	<b>¥310,347</b>	<b>¥27,999,056,461</b>

Balances as at December 31, 2021

	Land	Buildings and Leasehold Improvements	Main Engine, Plant Structures and Others	Plant Mechanical, Electrical, Switchyard and Desulfurization Equipment	Machinery and Other Equipment	Construction in Progress	Right-of-use Asset - Building (Note 30)	Total
<b>Cost</b>								
Balances at beginning of year	¥376,182,019	¥199,073,194	¥30,770,855,218	¥7,244,960,502	¥1,427,079,573	¥2,065,408,796	¥35,274,144	¥42,118,833,446
Additions	-	803,103	114,769,001	25,776,300	40,738,933	595,618,162	15,003,137	792,708,636
Disposals	-	(297,112)	-	-	(6,407,782)	-	(1,324,177)	(8,029,071)
Capitalized depreciation	-	-	-	-	-	12,273,040	□	12,273,040
Adjustment to decommissioning liability (Note 19)	-	-	26,349,052	-	-	-	□	26,349,652
Balances at end of year	376,182,019	199,579,185	30,911,973,871	7,270,736,802	1,461,410,724	2,673,299,998	48,953,104	42,942,135,703
<b>Accumulated Depreciation</b>								
Balances at beginning of year	-	189,376,438	8,460,965,005	3,906,981,690	742,556,150	-	23,182,154	13,323,061,437
Depreciation for the year (Note 25)	-	199,625	1,205,946,802	167,963,077	131,565,772	583,248	12,825,392	1,519,083,916
Expense	-	-	-	-	-	-	12,273,040	12,273,040
Capitalized	-	-	-	-	(5,795,580)	-	(1,324,177)	(7,119,757)
Disposals	-	-	-	-	868,326,342	583,248	46,956,409	14,847,298,636
Balances at end of year	-	189,576,063	9,666,911,807	4,074,944,767	868,326,342	583,248	46,956,409	14,847,298,636
<b>Net Book Value</b>	¥376,182,019	¥10,003,122	¥21,245,062,064	¥3,195,792,035	¥593,084,382	¥2,672,716,750	¥1,996,695	¥28,094,837,067

#### Construction-in-Progress

Included in construction in progress as at December 31, 2021 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. Total commitments representing the project costs amounted to ₱1,467 million and US\$34 million. The project is expected to be completed in May 2023.

#### Capitalized Borrowing Costs

Capitalized borrowing costs amounted to ₱198 million in 2019 (nil in 2021) for general borrowings. For the specific borrowings, capitalized borrowing cost amounted to ₱114 million in 2021, ₱805 million in 2020.

The rates used to determine the amount of borrowing costs eligible for capitalization are 5.02% to 9.16% in 2021 and 4.43% to 7.66% in 2020, which are the effective interest rates of the specific borrowings. In addition, the rate used to determine the amount of borrowing cost eligible for capitalization relating to general borrowings is 6.93%, which is the weighted average capitalization rate.

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#### **8. Equity Instruments Designated at FVOCI**

Equity instruments designated at FVOCI are as follows:

	June 30, 2022	December 31, 2021
Quoted		
Balance at beginning of year	₱139,627,658	₱122,931,676
Fair value gain (loss) during the year	-	16,695,982
Disposals during the year	-	-
Transfers of realized gain from OCI	-	-
Balance at end of period	139,627,658	139,627,658
Unquoted	2,222,168,768	2,222,168,768
	₱2,361,796,426	₱2,361,796,426

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

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## 9. Goodwill

Goodwill acquired through business combinations has been allocated to the power generation CGUs consisting of the operations of SPPC and WMPC. As at March 31, 2022 and December 31, 2021, the carrying amount of goodwill amounted to ₱692 million. The Group recognized impairment loss amounting to ₱115 million in 2020 due to the decline in recoverable amount of the CGU allocated to SPPC. No impairment loss was recognized in 2022.

### 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.

***Contracted and dispatchable capacity.*** Contracted capacity reflects the management's forecast of future contracts to be agreed with electric cooperatives and distribution utilities, and approved by ERC. 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.

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## 10. Prepaid Expenses and Other Current Assets

	June 30 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Deposit in interest reserve accounts	₱173,170,170	₱896,985,111
Creditable withholding tax	33,875,287	46,011,072
Prepayments	255,433,328	279,615,899
Input VAT	19,235,271	21,703,838
	<b>₱481,714,056</b>	<b>₱1,244,315,920</b>

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

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Accounts payable-trade	₱875,673,099	₱1,441,410,148
Accrued expenses	319,325,563	537,217,861
Refundable deposit and retention payable	497,414,792	632,800,401
Output tax and withholding tax payable	142,723,512	249,091,451
Advances from customers	30,508,363	35,210,284
Dividends payable	312,500,000	749,999,985
Current portion of lease liability	2,130,447	2,130,447
Interest payable	184,812,473	274,995,147
Other current liabilities	280,376,254	319,811,668
	<b>₱2,645,464,503</b>	<b>₱4,242,667,392</b>

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

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

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

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**12. Equity****Capital Stock**

	June 30, 2022		December 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized</b>				
Common stock - ₱1 par value	11,945,000,000	₱11,945,000,000	11,945,000,000	₱11,945,000,000
Preferred stock - ₱0.01 par value	5,500,000,000	55,000,000	5,500,000,000	55,000,000
		<b>₱12,000,000,000</b>		<b>₱12,000,000,000</b>
<b>Common Shares</b>				
Issued and outstanding	6,291,500,000	₱6,291,500,000	6,291,500,000	₱6,291,500,000
<b>Preferred Shares</b>				
Subscribed	5,500,000,000	55,000,000	5,500,000,000	55,000,000
Subscriptions receivable		(2,016,667)		(2,016,667)
		<b>₱6,344,483,333</b>		<b>₱6,344,483,333</b>

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

The redeemable preferred shares have the following features:

- a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.
- b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares.
- c. ACR may, by resolution of the BOD, redeem the preferred shares at par value. ACR will redeem the preferred shares at par value (i) when the foreign equity limits to which ACR is subject to shall have been removed; and (ii) ACR is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty percent (60%) of whose capital is owned by Filipino citizens that would otherwise require ACR to maintain the ownership of the preferred shares by such Filipino citizens. The preferred shares when redeemed will not be retired, and may be reissued upon resolution of the BOD.
- d. In the event of dissolution or liquidation, holders of redeemable preferred shares are entitled to be paid in full, or pro-rata insofar as the assets and properties of ACR will permit, the par value of each preferred share before any distribution shall be made to the holders of common shares, and are not entitled to any other distribution.

All common and preferred shares have full voting rights.

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

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

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

#### Retained Earnings

The BOD approved the appropriation of its retained earnings for its equity contributions to the following projects:

As of December 31, 2021:

Project Name	Nature/Project Description	Amount (In millions)	Timeline (Year)
ZAM100	Construction of 105 MW coal-fired power plant in San Ramon, Zamboanga City	₱370	2023
Siguil	Hydro-electric power in Maasim, Sarangani	600	2024
Bago	Hydro-electric power in Negros Occidental	130	2025
		₱1,100	

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

The Parent Company declared the following cash dividends:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2022	May 26, 2022	₱125,830,000	₱0.020	June 30, 2022	July 23, 2022
2021	May 20, 2021	125,830,000	0.020	June 30, 2021	July 23, 2021
2020	July 9, 2020	125,830,000	0.020	July 23, 2020	August 4, 2020

Dividends on preferred shares amounting to ₱4 million in 2021 and 2020 were applied against the Parent Company's subscriptions receivable from Alcorp.

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

	Six-Month Period Ended June 30	
	2022 (Unaudited)	2021 (Unaudited)
Net income attributable to equity holders of the parent	₱180,680,123	₱267,061,062
Dividends on preferred shares	4,400,000	4,400,000
Net income attributable to equity holders of the parent after dividends on preferred shares	₱176,280,123	₱262,661,062
Divided by the average number of common shares outstanding during the year	6,291,500,000	6,291,500,000
Basic/Diluted EPS	₱0.028	₱0.042

### 13. Loans Payable

Loans Payable

*Parent Company*

In 2021 and 2020, the Company availed of unsecured short-term loans from local banks totaling to ₱1,378 million and ₱1,507 million, respectively. These loans are subject to annual fixed interest rates ranging from 1.75% to 3.00% per annum and are payable on various dates within one year. As at December 31, 2021 and 2020, outstanding short-term loans amounted to ₱1,571 million and ₱1,383 million, respectively.

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 Parent 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 and was paid in October 2019. These were issued at discounted amounts with net proceeds amounting to ₱94 million.

In 2019, the Parent 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. This was settled in 2021.

In 2021, the Parent Company has listed a total of ₱2,000 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,944 million.

Outstanding balance from the commercial papers amounted to ₱2,941 million and ₱1,943 million



as at June 30, 2022 and December 31, 2021.

#### *Sarangani*

Sarangani availed of loan from local banks to be used as working capital amounting to ₱700 million and ₱645 million for the years ended December 31, 2020 and 2019, respectively, with nominal interest rates ranging from 2.88% to 6.25% in 2020, 5.50% to 6.25% in 2019 and 4.21% to 8.25% in 2018. Outstanding balance from the related bank loans amounting to ₱645 million as at December 31, 2019 was fully settled in 2020.

Interest expense from short-term notes payable amounted to ₱48 million in 2021 and ₱148 million in 2020 million (see Note 26 of the audited financial statements).

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#### **14. 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 June 30, 2022 and December 31, 2021 before considering the effects of collaterals, credit enhancements and other credit risk mitigation techniques.

##### ***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 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.

**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.

**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.

#### 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.

#### 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.

#### 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 2021 and 2020. 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.

# **Schedule of Financial Soundness**

Financial KPI	Definition	June 30,	
		2022	2021
<b>Liquidity</b>			
Current Ratio / Liquidity Ratio	Current Assets	1.16:1	1.06:1
	Current Liabilities		
<b>Solvency</b>			
Debt to Equity Ratio/Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable+short-term Notes Payable+Accrued interest (Equity attributable to Parent)	2.10:1	2.64:1
<b>Interest Rate Coverage Ratio</b>			
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes and Depreciation	2.00:1	2.94:1
	Interest Expense		
<b>Profitability Ratio</b>			
Return on Equity	Net Income	4%	5%
	Stockholders' Equity		
<b>Asset-to-Equity Ratio</b>			
Asset-to-Equity Ratio	Total Assets	2.59:1	2.91:1
	Total Equity		

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES  
ACCOUNTS RECEIVABLES  
AS OF JUNE 30, 2022

Attachment A

Type of Accounts Receivable:	TOTAL	1month	2-3months	4-6months	7months to 1year	1-2years	3-5years	5years and above	Past due Accounts
<b>a) Accounts Receivable – Trade</b>									
1 Power	2,170,261,368	1,333,258,655	212,772,851	26,330,845	238,022,357	80,867,735	279,017,926		
2 Real Estate	87,947,293	174,028	174,028	364,954	116,265	2,718,625	10,343,159	74,230,222	
3 Rental	9,379,742	592,619	226,568	286,334	795,736		4,043,474	3,435,010	
4 Plywood Hardiflex, agri & Ind'l	31,730,458							31,730,458	
Subtotal	2,290,318,861	1,333,852,274	213,173,447	26,982,173	238,934,358	83,576,360	293,404,559	109,395,690	
Less: Allow. For Doubtful Accounts	100,660,581	1,000,000	1,000,000	21,496,118				78,164,463	
Net Trade Receivables	2,189,658,280	1,333,852,274	212,173,447	5,486,055	238,934,358	83,576,360	293,404,559	31,231,227	-
<b>b) Accounts Receivable – Others</b>									
1 Advances affiliates/project developer/joint venture	2,850,119,895	19,094,489	6,410,151	153,811,158	349,624,597	402,348,528	998,895,041	920,135,931	
2 Advances contractors and suppliers									
3 Retention Receivable	14,655,481								
4 Advances officers & employees / business expense	343,611	5,000	81,500	2,000	147,300	9,080	67,331	31,400	
5 Miscellaneous and other receivables	41,666,555						34,394,869	7,271,685	
Total Accounts Receivable – Others	2,906,785,542	19,099,489	6,491,651	153,613,158	349,771,897	402,357,608	1,048,012,722	927,439,016	-
Less: Allow. For Doubtful Accounts	5,271,357	19,099,489	6,491,651	153,613,158	349,771,897	402,357,608		5,271,357	
ACCOUNTS RECEIVABLE-NET (a + b)	5,100,172,465	1,352,951,763	218,665,098	159,099,213	588,706,256	485,933,968	1,341,417,281	953,398,885	-

Accounts Receivable Description	Nature/Description	Collection Period
<b>1. Trade receivable</b>		
a) Power	Receivable arising from sale of power to NPC	30 days
b) Lots	Sale of residential lots	3 to 10 years
c) Rental	Office, parking & warehouse rental	30 days
d) Plywood Hardiflex, agri & Ind'l	Sale of ecowood, fiber cement board, Agri & Industrial products	38,58 & 130 days
<b>2. Non-Trade receivable</b>		
a) Advances Officers & Employees	Cash advances for business expenses	30 days
b) Advances Operators/Contractors	Advances made to operators/contractors	30 days
c) Accrued Interest	Interest on temporary investments	30 – 90 days
d) Others	Advances to various and other entities for business investment development and routine inter-company transactions.	30 days – 2 years

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
Parent Company								
Development Bank of the Phils.				5,806,505	Fixed 5%	Semi-Annual	December 3, 2025	3,149,882,725
Land Bank of the Philippines				3,612,134	Fixed 5%	Semi-Annual	December 3, 2025	1,959,491,586
Robinsons Bank Corporation				1,417,763	Fixed 6%	Semi-Annual	December 3, 2027	769,100,448
CHRIST THE KING COLLEGE		6,056,142.74			3.00%	63days	30-Aug-22	
FRANCISCAN MISSIONARIES OF MARY		4,181,399.82			3.00%	91days	19-Sep-22	
MISSIONARY SISTERS OF IMMACULATE HEART		3,258,729.25			3.00%	63days	30-Aug-22	
MISSIONARY SISTERS OF IMMACULATE HEART		4,232,422.60			3.00%	63days	30-Aug-22	
MISSIONARY SISTERS OF IMMACULATE HEART		7,399,396.87			3.00%	63days	30-Aug-22	
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.		5,261,633.80			3.00%	63days	30-Aug-22	
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.		8,688,640.70			3.00%	63days	30-Aug-22	
PCCI TIG AS INVESTMENT MANAGER		2,500,000.00			2.40%	63days	24-May-22	
PCCI TIG AS INVESTMENT MANAGER		4,500,000.00			2.75%	62days	01-Aug-22	
PCCI TIG AS INVESTMENT MANAGER		14,000,000.00			3.00%	91days	27-Sep-22	
PCCI TIG AS INVESTMENT MANAGER		30,000,000.00			2.40%	63days	12-Jul-22	
PCCI TIG AS INVESTMENT MANAGER		34,000,000.00			3.00%	61days	24-Aug-22	
PCCI TIG AS INVESTMENT MANAGER		50,000,000.00			2.40%	90days	05-Jul-22	
PCCI TIG AS INVESTMENT MANAGER		60,000,000.00			2.50%	45days	08-Jul-22	
PCCI TIG AS INVESTMENT MANAGER		84,000,000.00			2.75%	91days	30-Aug-22	
PCCI TIG AS INVESTMENT MANAGER		123,500,000.00			3.00%	60days	23-Aug-22	
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)		15,000,000.00			3.00%	90days	07-Sep-22	
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)		28,000,000.00			3.00%	90days	05-Sep-22	
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)		32,000,000.00			2.40%	90days	08-Aug-22	
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)		175,000,000.00			3.00%	91days	12-Sep-22	
RCBC TRUST AND INVESTMENT GROUP		40,000,000.00			2.40%	91days	04-Jul-22	
RCBC TRUST AND INVESTMENT GROUP		50,000,000.00			2.60%	90days	15-Aug-22	
RCBC TRUST AND INVESTMENT GROUP		65,000,000.00			2.40%	90days	04-Jul-22	
RCBC TRUST AND INVESTMENT GROUP		100,000,000.00			3.25%	90days	28-Sep-22	
RCBC TRUST AND INVESTMENT GROUP		130,000,000.00			2.75%	91days	22-Aug-22	
RCBC TRUST AND INVESTMENT GROUP		215,000,000.00			2.75%	90days	15-Aug-22	
RCBC TRUST AND INVESTMENT GROUP		304,800,000.00			2.60%	91days	30-Aug-22	
RCBC TRUST AND INVESTMENTS GROUP		65,000,000.00			2.75%	91days	19-Sep-22	
RCBC TRUST AND INVESTMENTS GROUP		240,000,000.00			3.00%	60days	16-Aug-22	
SBI MARKINA SHOE EXCHANGE		20,000,000.00			3.00%	63days	30-Aug-22	
ST LOUIS SCHOOL INC. (tax exempt)		3,844,560.05			3.00%	63days	30-Aug-22	
ST. AUGUSTINE'S SCHOOL INC. (tax exempt)		8,157,510.83			3.00%	63days	30-Aug-22	
ST. AUGUSTINE'S SCHOOL INC. (Tax Exempt)		2,105,901.37			3.00%	63days	30-Aug-22	
ST. AUGUSTINE'S SCHOOL INC. (Tax Exempt)		3,175,793.38			3.00%	63days	30-Aug-22	
ST. LOUIS SCHOOL, INC. (Tax Exempt)		3,263,633.59			3.00%	63days	30-Aug-22	
STELLA MARIS COLLEGE (tax exempt)		5,978,147.64			2.40%	62days	11-Jul-22	
STELLA MARIS COLLEGE (tax exempt)		5,985,860.07			2.40%	61days	04-Jul-22	
STERLING BANK OF ASIA TRUST GROUP		23,500,000.00			3.00%	60days	29-Aug-22	
THE CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS		25,000,000.00			3.00%	61days	30-Aug-22	
OTHERS			986,815.70		3.75%	364days	15-Jul-22	
OTHERS			1,993,631.40		3.75%	364days	15-Jul-22	
OTHERS			3,987,262.80		3.75%	364days	15-Jul-22	
OTHERS			996,815.70		3.75%	364days	15-Jul-22	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet	
OTHERS		1,495,223.55		3.75%	364days	15-Jul-22		
OTHERS		3,987,262.80		3.75%	364days	15-Jul-22		
OTHERS		3,987,262.80		3.75%	364days	15-Jul-22		
OTHERS		498,407.85		3.75%	364days	15-Jul-22		
OTHERS		498,407.85		3.75%	364days	15-Jul-22		
OTHERS		7,476,117.76		3.75%	364days	15-Jul-22		
OTHERS		3,987,262.80		3.75%	364days	15-Jul-22		
OTHERS		996,815.70		3.75%	364days	15-Jul-22		
OTHERS		9,968,157.01		3.75%	364days	15-Jul-22		
OTHERS		996,815.70		3.75%	364days	15-Jul-22		
MANAGEMENT ASSOCIATION OF THE PHILIPPINES AGRIBUSINESS AND COUNTRYSIDE DEVELOPMENT FOUNDATION INC		996,815.70		3.75%	364days	15-Jul-22		
ANTRILIA RESOURCES CORPORATION		2,990,447.10		3.75%	364days	15-Jul-22		
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310027767		89,713,413.06		3.75%	364days	15-Jul-22		
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024191		4,984,078.50		3.75%	364days	15-Jul-22		
STERLING MONEY MARKET FUND		7,476,117.76		3.75%	364days	15-Jul-22		
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000897		498,407.85		3.75%	364days	15-Jul-22		
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001221		1,993,631.40		3.75%	364days	15-Jul-22		
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001777		1,993,631.40		3.75%	364days	15-Jul-22		
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001117		498,407.85		3.75%	364days	15-Jul-22		
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000884		2,990,447.10		3.75%	364days	15-Jul-22		
BENEFICIAL LIFE INSURANCE COMPANY INC		99,681,570.07		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9094		9,968,157.01		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9147		996,815.70		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9148		1,993,631.40		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9197		1,993,631.40		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9268		4,984,078.50		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8540		19,936,314.01		3.75%	364days	15-Jul-22		
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9259		49,840,785.04		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239867		4,984,078.50		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540232765		1,993,631.40		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239182		4,984,078.50		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 100001215		9,968,157.01		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 100001246		4,984,078.50		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101512		1,993,631.40		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540077409		4,984,078.50		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360		3,987,262.80		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239875		996,815.70		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090804		996,815.70		3.75%	364days	15-Jul-22		
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143150		7,974,525.61		3.75%	364days	15-Jul-22		

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099569		66,786,651.95		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239158		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239311		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239883		3,488,854.95		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 5154026324		1,495,223.55		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540142200		797,452.56		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138505		897,134.13		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540144599		797,452.56		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239891		797,452.56		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126845		2,492,039.25		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099097		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540141492		1,196,178.84		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000102		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239980		5,083,760.07		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101482		10,366,883.29		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125616		5,183,441.64		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239999		2,492,039.25		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098996		1,495,223.55		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143932		3,090,128.67		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540233060		4,984,078.50		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540134145		4,984,078.50		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139072		4,984,078.50		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228415		9,968,157.01		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098376		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143428		2,093,312.97		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540121739		13,556,693.53		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139447		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540094400		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540154195		1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540045280		10,167,520.15		3.75%	364days	15-Jul-22	



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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TIG AS INVESTMENT MANAGER OF TA 968886			19,936,314.01		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 968862			19,936,314.01		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000893			1,196,178.84		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001103			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540034718			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090456			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540147369			2,492,039.25		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138815			1,495,223.55		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000423			498,407.85		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000000383			9,370,067.59		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240016			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51512139765			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540047623			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540226951			498,407.85		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540093999			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540232994			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125691			498,407.85		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101830			498,407.85		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000000422			2,192,994.54		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102454			5,980,894.20		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239964			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239972			1,395,541.98		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000201			2,990,447.10		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020			6,479,302.05		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000995			9,968,157.01		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150475			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540147490			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540145218			4,984,078.50		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 5154095148			5,083,760.07		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540137916			5,980,894.20		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540135719			9,968,157.01		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 5154040661			2,990,447.10		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239921			5,183,441.64		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150270			2,990,447.10		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001187			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239956			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 5154070382			4,984,078.50		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099488			1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100737			996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138122			1,993,631.40		3.75%	364days	15-Jul-22	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126736		1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239905		1,993,631.40		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51512026545		996,815.70		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540088869		598,089.42		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540007508		498,407.85		3.75%	364days	15-Jul-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001300		1,694,586.69		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335		4,485,670.65		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2353		1,495,223.55		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2395		1,495,223.55		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2345		49,840,785.04		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280		498,407.85		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2372		996,815.70		3.75%	364days	15-Jul-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2304		19,936,314.01		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008241		15,948,051.21		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008243		3,987,262.80		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320008357		6,977,709.90		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530092		1,096,497.27		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530087		897,134.13		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000262		2,492,038.25		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000961		1,096,497.27		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530199		1,096,497.27		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030310000226		1,495,223.55		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008464		1,993,631.40		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008091		1,096,497.27		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008454		1,495,223.55		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008148		1,993,631.40		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800000405		1,395,541.98		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030004000004		1,794,268.26		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST IMA09320000802		996,815.70		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST IMA09322000035		996,815.70		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000021		996,815.70		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000045		1,495,223.55		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000113		1,495,223.55		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000168		996,815.70		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000333		498,407.85		3.75%	364days	15-Jul-22	
UCPB TBG AS IM FOR 18.009547		13,058,285.68		3.75%	364days	15-Jul-22	
UCPB TBG AS IM FOR 21.010976		4,385,989.08		3.75%	364days	15-Jul-22	
UCPB TBG AS IM FOR 19.010011		8,672,296.60		3.75%	364days	15-Jul-22	
UCPB TBG AS IM FOR 12.5132		897,134.13		3.75%	364days	15-Jul-22	
UCPB TBG AS TRUSTEE FOR 05.0161		897,134.13		3.75%	364days	15-Jul-22	
CONGREGATION OF THE MOST HOLY REDEEMER		21,929,945.42		3.75%	364days	15-Jul-22	
SOCIAL SECURITY SYSTEM		167,465,037.72		3.75%	364days	15-Jul-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 0300050000005		54,824,863.54		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000205		996,815.70		3.75%	364days	15-Jul-22	

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CITYSTATE SAVINGS BANK TRUST TA093120000296			995,815.70		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000319			498,407.85		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000340			498,407.85		3.75%	364days	15-Jul-22	
CITYSTATE SAVINGS BANK TRUST TA093120000302			498,407.85		3.75%	364days	15-Jul-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9202			52,210,441.45		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9286			1,477,654.00		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9112			5,910,616.01		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8536			985,102.67		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9255			1,477,654.00		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9256			985,102.67		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9268			5,910,616.01		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9018			985,102.67		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8166			985,102.67		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9285			1,970,205.34		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS TRUSTEE FOR PMT 500011			985,102.67		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2215			985,102.67		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2279			985,102.67		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280			492,551.33		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2281			1,970,205.34		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2323			6,107,636.55		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2334			1,477,654.00		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335			492,551.33		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2395			6,895,718.68		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2401			1,083,612.94		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2405			1,083,612.94		3.75%	364days	11-Nov-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2407			1,083,612.94		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360			985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000000972			14,776,540.03		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 9000000051			4,925,513.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 9000000052			9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540149833			2,167,225.87		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540155310			985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203			5,910,616.01		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090804			2,955,308.01		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540229934			1,083,612.94		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540126345			9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 9000000356			8,077,841.88		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241519			1,477,654.00		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241519			1,477,654.00		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000102			1,477,654.00		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102276			2,462,756.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139285			7,388,270.02		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100230			2,167,225.87		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203			1,970,205.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203			5,713,595.48		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239042			9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540052007			4,925,513.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239591			985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239719			1,970,205.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098333			9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000000882			985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540085703			4,925,513.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001237			492,551.33		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000000920			492,551.33		3.75%	364days	11-Nov-22	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TIG AS INVESTMENT MANAGER OF TA 900000423		492,551.33		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101830		492,551.33		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138815		1,477,654.00		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100370		492,551.33		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236582		985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 5154040661		985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143592		1,970,205.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228040		1,970,205.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000967		20,687,156.05		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000101		2,955,308.01		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000708		985,102.67		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241888		4,925,513.34		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026138		9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026138		9,851,026.69		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101156		14,776,540.03		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540100655		492,551.33		3.75%	364days	11-Nov-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540237538		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008241		3,940,410.68		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530092		3,250,898.81		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530091		2,265,736.14		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530087		689,571.87		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0303100002276		985,102.67		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800083005		640,316.73		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008428		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008426		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008427		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180007931		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008391		985,102.67		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008464		985,102.67		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180007932		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530265		1,083,612.94		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530269		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008243		2,364,246.41		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008961		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008493		886,592.40		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180004005		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530270		3,349,349.07		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008412		3,743,390.14		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008454		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008411		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008389		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320008358		492,551.33		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008302		640,316.73		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530271		1,970,205.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530272		2,955,308.01		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 0301800530161		3,447,859.34		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030004000004		1,970,205.34		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000884		1,970,205.34		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001563		1,970,205.34		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001524		492,551.33		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000783		2,659,777.21		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 001221		1,477,654.00		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000801		9,851,026.69		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS INV MGR OF TA NO 280 000957		10,146,557.49		3.75%	364days	11-Nov-22	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
STERLING BANK OF ASIA TRUST GROUP AS INV/MGR OF TA NO 280 002024		985,102.67		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024191		7,880,821.35		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310026534		7,880,821.35		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310028956		7,880,821.35		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310028834		3,940,410.68		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001310024212		3,940,410.68		3.75%	364days	11-Nov-22	
PBB TIC AS TRUSTEE FAO TA NO 001172000027		3,940,410.68		3.75%	364days	11-Nov-22	
PBB TIC AS TRUSTEE FAO TA NO 001172022713		886,592.40		3.75%	364days	11-Nov-22	
PBB TIC AS TRUSTEE FAO DIAMOND FUND		492,551.33		3.75%	364days	11-Nov-22	
THE CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS INC		16,746,745.37		3.75%	364days	11-Nov-22	
MULTINATIONAL INVESTMENT BANCORPORATION		27,582,874.73		3.75%	364days	11-Nov-22	
SBI MARIKINA SHOE EXCHANGE CORP		11,821,232.03		3.75%	364days	11-Nov-22	
SHOECAT INC		11,821,232.03		3.75%	364days	11-Nov-22	
OTHERS		4,925,513.34		3.75%	364days	11-Nov-22	
OTHERS		4,925,513.34		3.75%	364days	11-Nov-22	
OTHERS		2,955,308.01		3.75%	364days	11-Nov-22	
OTHERS		2,955,308.01		3.75%	364days	11-Nov-22	
OTHERS		2,955,308.01		3.75%	364days	11-Nov-22	
BANK OF MAKATI A SAVINGS BANK INC		73,882,700.17		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030005000005		3,743,390.14		3.75%	364days	11-Nov-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320530262		5,910,616.01		3.75%	364days	11-Nov-22	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO 001320026989		4,531,472.28		3.75%	364days	11-Nov-22	
STERLING BANK OF ASIA TRUST GROUP AS TRUSTEE OF TA NO 120 000638 STERLING BANK OF ASIA RETIREMENT PLAN		9,851,076.69		3.75%	364days	11-Nov-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9212		36,165,555.69		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9316		982,759.67		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8977		1,965,519.33		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8899		1,965,519.33		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8892		3,144,830.93		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9133		1,965,519.33		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9241		1,179,311.60		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9402		9,827,596.66		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9400		3,144,830.93		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9415		1,277,587.57		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9401		1,277,587.57		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9404		6,289,661.86		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9414		3,144,830.93		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9413		982,759.67		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9298		6,387,937.83		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9214		9,827,596.66		3.47%	182days	26-Dec-22	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9405		491,379.83		3.47%	182days	26-Dec-22	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001524		4,913,798.33		3.47%	182days	26-Dec-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335		4,913,798.33		3.47%	182days	26-Dec-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2426		884,483.70		3.47%	182days	26-Dec-22	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2282		1,081,035.63		3.47%	182days	26-Dec-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530092		1,081,035.63		3.47%	182days	26-Dec-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180038136		1,081,035.63		3.47%	182days	26-Dec-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530297		4,127,590.60		3.47%	182days	26-Dec-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030172530299		2,948,779.00		3.47%	182days	26-Dec-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 515-40-241926		982,759.67		3.47%	182days	26-Dec-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 515-40-150432		98,275,966.56		3.47%	182days	26-Dec-22	
RCBC TIG AS INVESTMENT MANAGER OF TA 10-000-0781		982,759.67		3.47%	182days	26-Dec-22	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320530262		49,137,983.28		3.47%	182days	26-Dec-22	
OTHERS		479,259.77		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9380		958,519.53		4.28%	364days	26-Jun-23	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9212		19,170,390.69		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 7967		958,519.53		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9268		9,585,195.35		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9018		2,875,558.60		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9332		958,519.53		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9154		19,170,390.69		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9227		2,875,558.60		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9416		958,519.53		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9415		3,834,078.14		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9402		19,170,390.69		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9403		958,519.53		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9414		14,377,793.02		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8778		9,585,195.35		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-029701		1,917,039.07		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-024212		4,792,597.67		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-015008		4,792,597.67		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-026534		19,170,390.69		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-027012		1,917,039.07		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-027001		3,834,078.14		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-026878		2,875,558.60		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-031589		1,917,039.07		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-028590		8,434,971.90		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-024645		1,917,039.07		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-031590		1,917,039.07		4.28%	364days	26-Jun-23	
PBB TIC AS INVESTMENT MANAGER FAO IMA NO. 001-310-028323		1,917,039.07		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000033 3		479,259.77		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO IMA NO 093 22 000003 5		1,437,779.30		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000004 5		958,519.53		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000002 1		23,962,988.37		4.28%	364days	26-Jun-23	
THE CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS INC		38,244,929.43		4.28%	364days	26-Jun-23	
MULTINATIONAL FOUNDATION INC		1,437,779.30		4.28%	364days	26-Jun-23	
OTHERS		479,259.77		4.28%	364days	26-Jun-23	
OTHERS		4,792,597.67		4.28%	364days	26-Jun-23	
OTHERS		3,834,078.14		4.28%	364days	26-Jun-23	
SHOECAT INC		38,340,781.39		4.28%	364days	26-Jun-23	
OTHERS		9,585,195.35		4.28%	364days	26-Jun-23	
OTHERS		4,792,597.67		4.28%	364days	26-Jun-23	
PHILIPPINE VETERANS BANK		191,703,906.93		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001221		5,751,117.21		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 000704		9,585,195.35		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 000783		1,917,039.07		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001880		958,519.53		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001879		958,519.53		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 000897		2,875,558.60		4.28%	364days	26-Jun-23	
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 002004		5,751,117.21		4.28%	364days	26-Jun-23	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2379		958,519.53		4.28%	364days	26-Jun-23	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2425		2,108,742.98		4.28%	364days	26-Jun-23	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2260		1,917,039.07		4.28%	364days	26-Jun-23	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2397		28,755,586.04		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530092		1,054,371.49		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180530255		2,875,558.60		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000262		1,917,039.07		4.28%	364days	26-Jun-23	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008326		2,875,558.60		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008390		1,917,039.07		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008241		1,917,039.07		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008136		5,751,117.21		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180000405		1,917,039.07		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180007931		2,683,854.70		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008389		1,917,039.07		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030181		1,533,631.26		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180008314		9,585,195.35		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030284		1,917,039.07		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030383		1,054,371.49		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030374		1,054,371.49		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030172530299		5,271,857.44		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030172530379		19,170,390.69		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030375		9,585,195.35		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030376		9,585,195.35		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030377		9,585,195.35		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030180030378		9,585,195.35		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP TA NUMBER 030002000002		479,259.77		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026545		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 515400229934		1,437,779.30		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540090804		5,271,857.44		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000601		2,875,558.60		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002111		4,792,597.67		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 515400239158		2,875,558.60		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540242906		1,581,557.23		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540143150		8,626,675.81		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098996		6,709,636.74		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228458		1,725,335.16		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000424		2,108,742.98		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002109		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002041		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002110		4,792,597.67		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540127082		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540127139		1,917,039.07		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540242523		3,258,966.42		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 927813		9,872,751.21		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000882		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540124660		479,259.77		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540154195		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540084952		1,917,039.07		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000893		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241616		3,450,670.32		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241950		2,012,891.02		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001855		19,170,390.69		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020		2,875,558.60		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240350		8,147,416.04		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239921		2,875,558.60		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002105		28,755,586.04		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002082		958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002104		7,668,156.28		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000119		479,259.77		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002103		958,519.53		4.28%	364days	26-Jun-23	

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	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TIG AS INVESTMENT MANAGER OF TA 100002102			958,519.53		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51541055340			32,397,960.27		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51541125845			27,988,770.41		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51541242957			14,857,052.79		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51541155728			9,585,195.35		4.28%	364days	26-Jun-23	
RCBC TIG AS INVESTMENT MANAGER OF TA 51541233346			9,585,195.35		4.28%	364days	26-Jun-23	
OTHERS			479,259.77		4.28%	364days	26-Jun-23	
RCBC CAPITAL CORPORATION			35,800,704.62		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000001 4			479,259.77		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000020 5			3,834,078.14		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000029 6			958,519.53		4.28%	364days	26-Jun-23	
CITYSTATE SAVINGS BANK INC TRUST DEPT FAO TA NO 093 12 000034 0			958,519.53		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS TRUSTEE FOR TR200			9,585,195.35		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS TRUSTEE FOR TR201			9,585,195.35		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS TRUSTEE FOR TR309			1,437,779.30		4.28%	364days	26-Jun-23	
PBCOM TRUST GROUP AS TRUSTEE FOR TR311			958,519.53		4.28%	364days	26-Jun-23	
ROBINSONS BANK TRUST AND INVESTMENTS GROUP IMA NUMBER 030320530262			958,519.53		4.28%	364days	26-Jun-23	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2265			479,259.77		4.28%	364days	26-Jun-23	
PCCI TIG AS TRUSTEE FOR TOFA 1009			958,518.53		4.28%	364days	26-Jun-23	
Saranggani Energy Corp.								
BDO Unibank Inc.			300,000,000		3.125%	30days	06-Jul-22	
Robinsons Bank Corporation			300,000,000		3.25%	30days	06-Jul-22	
BDO Unibank Inc.				1,034,149,355	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	6,614,762,858
Rizal Commercial Banking Corporation				203,669,624	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	1,305,093,561
United Coconut Planters Bank				197,166,774	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	1,290,784,885
Asia United Bank				252,035,484	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	1,936,573,873
Philippine Business Bank				151,584,839	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	128,859,223
China Bank Savings				20,366,962	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	597,301,223
Robinsons Savings Bank				20,366,962	Fixed 8.06%	Semi-Annual	Oct 19, 2026 and April 17, 2030	130,509,356
TOTAL		Php 2,002,389,773	Php 3,541,398,267	Php 1,890,176,402				Php 17,882,359,738