COVER SHEET
for
SEC FORM 17A

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)

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
legal@alcantaragroup.com	(02) 8982 - 3000	N.A.

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
447	May 30	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jonathan F. Jimenez	jjimenez@alcantaragroup.com	8982-3000	09178579384

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 2023**

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) Industry Classification Code:
   Province, country or other jurisdiction of incorporation

7. **Alsons Building, 2286 Don Chino Roces Avenue, Makati City, Philippines** **1231**
   Address of principal office Postal Code

8. **(632) 8982-3000**
   Registrant's telephone number, including area code

9. **(Not applicable)**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC

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

11. Are any or all of these securities listed on the Philippine Stock Exchange?
    Yes [X] 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 [X] No [ ]

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

    Yes [X] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

    ₱667,721,557.88
    Assumption: Based on Closing Price of ₱0.53 as of 18 March 2024 and on 1,259,851,996 shares.

TABLE OF CONTENTS

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 facilitated through four holding firms: Conal Holdings Corporation (Conal or CHC), Alsing Power Holdings, Inc. (Alsing), Alsons Renewable Energy Corporation (AREC), and Alsons Thermal Energy Corporation (ATEC). Conal is the owner of all of ACR's diesel plant operating power generation businesses, specifically: Alsing Power Holdings, Inc. at 80%, Alto Power Management Corporation at 60%, and Mapalad Power Corporation at 100%. Alsing, on the other hand, holds a 55% ownership in Western Mindanao Power Corporation and Southern Philippines Power Corporation. Additionally, ACR directly owns a 20% stake in Alsing.

AREC, established on September 18, 2014, serves as ACR's platform for developing renewable energy (RE) projects. AREC presently possesses 100% equity in several subsidiaries engaged in renewable energy ventures, including Siguil Hydro Power Corporation, Kalaong Hydro Power Corporation, Bago Hydro Resources Corporation, and Sindangan Zambo-River Power Corporation.

ATEC, formed on November 23, 2015, functions as a holding company for ACR's coal-fired thermal power assets. ACR transferred its ownership interest in Sarangani Energy Corporation (SEC) to ATEC on October 13, 2016.

ACR established Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011, to serve as the operations and maintenance provider for SEC and San Ramon Power, Inc. (SRPI). ACR subsequently transferred its ownership in ACES to ATEC on October 12, 2016, and its ownership in SRPI on May 24, 2017.

On June 3, 2017, the Company entered into 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. This partnership combines ACR's extensive knowledge of the Mindanao power market, cultivated through years of experience as the island's pioneering independent power producer, with GBP's proven track record as the leading power producer in the Visayas. The Company believes that this collaboration will greatly benefit power consumers, particularly in light of the planned interconnection of the Mindanao and Visayas grids. Moreover, the partnership will empower ACR to pursue its energy-based projects more effectively, especially its renewable power generating plants in Mindanao and Western Visayas. It will also enable ACR to expedite its entry into other energy-related ventures in Southern Philippines, including the smaller islands with promising growth in power demands..

ACR also owns a wholly-owned subsidiary, Alsons Power International Limited (APIL), dedicated to developing power plant projects outside the country. However, the Company currently has no active operations.

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 ancillary services to the National Grid Corporation of the Philippines for the latter to maintain the power quality, reliability and security of the grid in the Zamboanga Peninsula Region. 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. The company is currently looking into repurposing SPPC to include engagement in renewable industry in its primary purpose.

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 customers in Mindanao. In 2023, the Company began the construction of modular gensets in Ubay, Bohol Province. The Ubay project, once completed, will provide an in-island power plant that will help the island during events such as Typhoon Odette, wherein electricity supply has been cut in the region because of damages sustained by the transmission lines.

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.

The Company likewise began site development and clearing works for SRPI's 105MW coal-fired power plant project (ZAM 100), which could supply power to Zamboanga City and other parts of the Zamboanga Peninsula. However, the Company has not yet started the construction of the ZAM 100 power plant. Proposals for the Engineering, Procurement, and Construction (EPC) rebidding were submitted on August 30, 2018. The selected EPC contractor remains committed to the implementation of the SRPI Project, with regular updates of project requirements to maintain readiness for implementation upon the execution of the NTP (Notice to Proceed). However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.

ACR's first renewable energy project for AREC, the Siguil Hydro Power Corporation, which will operate a 14.5MW run-of-river electricity generating facility situated in the Siguil River basin in

Maasim, is now in the final stages of physical construction and undergoing energization. The issuance of the COC is expected in the third quarter of this year.

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.

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. Additional lots were acquired as expansion of the covered estate. On July 6, 2022, KAIEDC and a locator signed a lease agreement of industrial lots covering a 47.819 hectares for a period of 50 years with an extended option of another 25 years.

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.

On February 22, 2022, the DENR issued an order approving the assignment of MPSA No. 094-97-XI from ALDEVINCO to ACR Mining pursuant to the March 25, 2019 Deed of Assignment.

ACRMC through its letter to the DENR dated May 21, 2022, the Company requested for a reinstatement of unconsummated term of the above MPSA for about 5 to 7 years due to force majeure in view of the following conditions:

i. The prevailing peace and order situation Compostela Valley, now known as Davao de Oro;

ii. The shift in the policy direction of the government with the issuance of Executive Order No. 79 in on July 6, 2022, specifically touching the on the proposed changes in the revenue schemes;

iii. The adverse effect in conducting operations for more than 2 years due to the straight government response to COVID-19 pandemic, among others.

The DENR considered the lost term of MPSA 094-97-XI , granted and extended period of 5 years starting from the expiration of of its first 25-year term on November 20, 2022 and such term shall expire on November 20, 2027.

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 physical construction of the power plant is on its final stages and undergoing energization. The issuance of the Certificate of Compliance (COC) is expected in the third quarter of this year.

   The other hydro projectes 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. Both these projects are currently in advanced pre-development stages.

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. However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.

3. In June 2023, the Company began the construction of modular gensets in Ubay, Bohol Province. The Ubay project, once completed, will provide an in-island power plant that will help the island during events such as Typhoon Odette, wherein electricity supply has been cut in the region because of damages sustained by the transmission lines.

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		
	2023	2022	2021	2023	2022	2021
Energy and Power	₱12,417,644	₱11,967,261	₱10,046,854	100%	100%	100%
Property Development	5,103	21,971	–	0%	0%	0%
	₱12,422,747	₱11,989,232	₱10,046,854	100%	100%	100%

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

2. **Competition**

Real Estate
There are many provinces near Metro Manila that buyers are looking at, Eagle Ridge Residential Estates sales have been sluggish for several years. With the infrastructure developments such as the Cavite-Laguna Expressway and LRT Line 6, General Trias is becoming more accessible. We expect that the remaining available inventories will be in comparable with the economic and affordable housing developments of Filinvest, Camella Homes, and Amaia in the region.

Power and Energy
Sarangani Energy has secured its position in the market by entering into Power Sales Agreements (PSAs) with various distribution utilities for 25 years. The remaining available capacity of the second plant is planned to be provided to a locator with the Kamanga Agro-Industrial Ecozone.

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 presently exploring the repurposing of SPPC to incorporate engagement in the renewable energy industry as part of its primary focus.

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.

WMPC signed a Fuel Supply Agreement with Northern Star Energy Corporastion on August 31, 2023 for the supply of RFO and FO Plus for 3,200KL monthly or annual qualtity of 38,400KL to start on August 1, 2023 until July 2026.

MPC has also signed agreement with Pilipinas Shell Petroleum Corporation on November 9, 2023 for the supply of its fuels to starting from November 1, 2023 until October 31, 2025

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

Sarangani Energy Corporation (SEC) has fuel supply and/or transport agreements with reputable coal traders and suppliers for low Sulphur coal, or sub-bituminous coal from Indonesia with gross calorific value ranging from 4200 to 5000 kCal per kilogram. Local supply is sourced from Semirara Mining and Power Corporation. The company is also procuring coal via spot market or short-term contracts with flexible pricing options with prices based on 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 opportunies for relocating its engines to other locations. Sarangani Energy Corporation (SEC), on the other hand, has secured 25-year PSAs with the following distribution utilities:

Contracting Party	Contracted Capacity (MW)
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 I Electric Cooperative, Inc.	10
Zamboanga del Sur I 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.

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 Recovey and Tax Incentives for Enteprises (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. <u>Research and Development</u>

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. <u>Employees</u>

As of December 31, 2023, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 504 employees, broken down as follows: 14 executives, 41 managers, 151 supervisors and 298 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. <u>Bankruptcy Proceedings</u>

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) ₱ 1,598,473 in 2023; (2) ₱1,859,568 in 2022; and, (3) ₱771,967 in 2021.

10. Investment Acquisition

On August 27, 2019, the Board of Indophil Resources Phils, Inc. (IRPI) approved the equity call to all existing sahreholders 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 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, 2023**	December 31, 2022
Main Engine of Power Plant Structures and Others	**₱31,527,050**	₱30,958,308
Plant Mechanical, Switchyard and Desulfurization Equipment	**7,256,189**	7,272,721
Land, Buildings and Leasehold Improvements	**579,379**	577,526
Machinery and Other equipment	**1,614,521**	1,592,231
Right-of-Use Assets	**79,058**	82,615
Construction in Progress	**5,003,911**	3,516,353
Total	**46,060,109**	43,999,754
Less: Accumulated Depreciation and Amortization	**(17,542,868)**	(16,257,840)
Net Book Value	**₱28,517,240**	₱27,741,914

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 disputedby 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, 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. As of December 31, 2022, the issue on whether PSALM assumed the NPC's obligation to SPPC under the ECA remains pending before the COA.

On February 11, 2022, the COA issued its decision granting SPPC's Petition for Money Claim as against the NPC.

On November 29, 2023, the Company collected the full amount of the claim, resulting in the recognition of additional income amounting to ₱311 million.

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
2023	High	₱0.88	₱0.85	₱0.80	₱0.60
	Low	0.76	0.71	0.60	0.53
2022	High	1.09	1.06	0.97	0.92
	Low	1.01	0.92	0.92	0.76
2021	High	1.37	1.40	1.36	1.24
	Low	0.61	1.23	1.15	1.03

Stock Price as of March 18, 2024 was at ₱0.53 per share.

2. Stockholders

As of December 31, 2023, ACR has 6,291,500,000 shares outstanding held by 447 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

	Name	No. of Shares Held	% to Total
1.	Alsons Corporation	2,592,524,072	41.21%
2.	Alsons Power Holdings Corp.	1,249,999,599	19.87%
3.	Alsons Development and Investment Corp.	1,188,524,026	18.89%
4.	PCD Nominee Corporation (Filipino)	1,177,998,212	18.72%
5.	PCD Nominee Corporation (Non-Filipino)	51,872,839	0.82%
6.	SEC Account No. 2 fao various Customers of Guoco	2,090,000	0.03%
7.	All Asia Capital Trust & Investment Division	1,830,000	0.03%
8.	EBC Securities Corporation	1,030,000	0.02%
9.	Crisostomo, Emily A.	1,000,000	0.02%
9.	Cruz, Felipe Jr. A.	1,000,000	0.02%
9.	Nora T. Go	1,000,000	0.02%
10.	First Integrated Capital Securities, Inc. (555300)	900,000	0.01%
11.	First Integrated Capital Securities, Inc. (555200)	795,000	0.01%
12.	Ansaldo, Godinez & Co., Inc.	755,000	0.01%
13.	George Go	750,010	0.01%
14.	AACTC FAO Trinity Investment	680,000	0.01%
15.	EstebanYau	600,000	0.01%
16.	Roy C. Tia	513,000	0.01%
17.	S. J. Roxas & Co., Inc.	507,000	0.01%
18.	Antonio Co	500,000	0.01%
18.	Mendoza, Marites &/or Alberto Mendoza	500,000	0.01%
18.	Roqueza, Ricardo S.	500,000	0.01%
18.	San Jose, Roberto V.	500,000	0.01%
18.	Vega, Luis &/or Eliseo C. Ocampo, Jr.	500,000	0.01%
19.	Mendoza Albert G. &/or Jeannie C. Mendoza	450,000	0.01%
20	Guillermo F. Gili, Jr.	430,000	0.01%
	Total shares of top 20	6,277,748,758	99.78%

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
2023	May 30, 2023	₱125,830,000	₱0.020	July 5, 2023	July 24, 2023
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

Dividends on preferred shares amounting to nil in 2023 and ₱2 million in 2022 and ₱4 million 2021 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 of not less than 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 2023 vs. 2022 OPERATIONS

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

1. Revenues and Profitability

ACR and its subsidiaries experienced a significant increase in consolidated revenues during the year, reaching ₱12,422 million, up from the ₱11,989 million reported in the previous year. This increase was primarily attributed to improved operations in our power companies and an increase in energy dispatch throughout the year.

The cost of services rose by 3% to ₱7,970 million from ₱7,765 million in 2022, primarily due to the increased fuel costs resulting from higher dispatch levels.

General and administrative expenses decreased from ₱848 million in 2022 to ₱742 million this year. This decline was primarily attributable to the recognition of a ₱165 million impairment loss in 2022 and the reversal of the provision for expected credit loss in 2023. The reversal of the credit loss during the year resulted from the full collection of SPPC's receivable from NPC, as discussed in Note 8 of the Financial Statements. As a result, operating profit significantly increased to ₱3,709 million from last year's ₱3,367 million.

The Company continues to achieve robust earnings before interest, taxes, depreciation, and amortization (EBITDA), reaching ₱5,494 million in 2023, surpassing last year's figure of ₱ 5,289 million. This results in a healthy EBITDA margin of 44% for both the current and previous years.

Finance charges increased slightly to ₱1,655 million from last year's ₱1,650 million. The settlement of maturing loans in Sarangani during the year was partly offset by the availment of short-term loans from the Parent Company, which were used for the Siguil Hydro Project. On the other hand, interest income significantly increased from an income of ₱25 million earned in 2022 to ₱87 million this year. This increase was primarily due to higher interest rates on placements throughout the year.

Equity in net earnings derived from the Company's share in Aviana Development Corp. decreased in 2023 to ₱22 million from ₱55 million in the previous year, primarily due to the Aviana's lower sales performance.

The Company's other income of ₱403 million is consistent with last year's ₱424 million. This year's other income includes the gain recognized on the collection of SPPC's DG6, pertaining to the collection of its receivable from NPC, as discussed in detail in Item 3 of this report. Conversely, the other income recognized in 2022 pertains to the lot leased by KAIEDC to Panhua, which was accounted for under a finance lease. This gain was partly offset by the recognition of an impairment loss of goodwill during that year.

As a consequence of the aforementioned factors, the consolidated net income achieved a higher result of ₱2,285 million, marking a 22% improvement over last year's ₱1,875 million. The income attributable to the Parent Company also improved to ₱641 million from last year's ₱617 million, resulting in an earnings per share of ₱0.101, compared to ₱0.097 last year.

2. Financial Position

As of December 31, 2023, the total resources of ACR and its subsidiaries remained robust at ₱ 47,950 million, nearly unchanged from the level reported in 2022.

Current assets remain stable at ₱10,589 million this year. The decrease in inventories due to lower coal costs was partly offset by the increase in prepaid expenses and other current assets resulting from a higher balance of debt reserve accounts.

Noncurrent assets increased to ₱37,360 million. The depreciation expense recognized during the year, amounting to ₱1,356 million, was offset by the costs incurred for the construction of the Siguil Hydro Power Plant, which is currently nearing completion.

Current liabilities increased by 17% from ₱9,788 million to ₱11,410 million, primarily due to the utilization of short-term loans payable by the Parent Company, mostly allocated for the construction of the Siguil Power Plant. Noncurrent liabilities, on the other hand, decreased by 11% due to the amortization of maturing long-term debt and the reclassification of a loan to the current portion, partially offset by the drawdown of the project loan for Siguil Hydro Power Corporation.

Equity increased by 4% from ₱18,909 million to ₱19,630 million, primarily attributed to the income earned during the year.

ACR reported a current ratio of 0.93:1 in 2023, which decreased from 1.15:1 in 2022, primarily due to the increased current liabilities resulting from the rise in loans payable.

The net cash inflows from operating activities saw a significant improvement, rising from ₱ 4,429 million to ₱6,460 million, maintaining stability and serving as the primary source for fulfilling maturing obligations and trade payables. Additionally, there was a notable increase in net cash used for investing activities, which surged from ₱1,976 million to ₱2,078 million this year, primarily due to the additional project costs incurred for the construction of the Siguil Hydro Power plant. Meanwhile, net cash used from financing activities amounted to ₱4,333 million, marking a 71% increase from last year's ₱2,527 million, largely attributed to the higher settlement of loans, long-term debt, and dividends during the year. Consequently, the net cash balance, after considering the aforementioned changes, reached ₱2,429 million, slightly lower than the ₱2,796 million reported in the previous year.

Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2023 showed stable gross profit at ₱4,450 million compared to last year's ₱4,215 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Table 3 – Comparative KPIs (2023 Vs. 2022)

Financial KPI	Definition	Calendar Year	
		2023	2022
Profitability			
Revenues		₱12,423	₱11,989
EBITDA		5,494	5,289
EBITDA Margin	EBITDA ÷ Net Sales	44%	44%
Return on Equity	Net Income ÷ Total Stockholders' Equity	12%	10%
Net Earnings Attributable To Equity Holders		₱641	₱617
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	20%	19%
Liquidity			
Net Service Coverage	Total Cash Available for Debt Service ÷ Aggregate Principal and Interest during Next Period	2.90:1	2.01:1
Debt-To-Equity Ratio		1.44:1	1.53:1
Current Ratio	Current Assets ÷ Current Liabilities	0.93:1	1.15:1

Profitability

The Company's earnings before interest, taxes, depreciation, and amortization ("EBITDA") increased to ₱5,494 million from ₱5,289 million in 2022. This improvement can be attributed to the enhanced performance of the operating power plants, resulting in an EBITDA margin of 44% in both 2023 and 2022.

The return on equity has increased to 12% from the previous year's 10%, and the net income attributable to the equity holders of the parent has improved to ₱641 million from last year's ₱617 million. ACR's strong financial performance in 2023 is attributed to the rising power demand in Mindanao.

Efficiency

The Company's operating expense ratio has risen to 20% from last year's 19%. Despite this increase, the operating power plants have maintained their performance and met the growing power demand, thus enhancing their operational efficiency throughout the year.

Leverage and Liquidity

The continued settlement of Sarangani's project loan, partly offset by the drawdown of the Siguil Hydro Project and the availment of short-term debts by the Parent Company, led to a decrease in the debt-to-equity ratio from 1.53:1 to 1.44:1 this year. This reduction reflects the Company's proactive approach in managing its financial obligations and optimizing its capital structure. Additionally, it indicates a healthier balance between debt and equity, which enhances the Company's financial stability and flexibility moving forward.

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, 2023 and 2022 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 cyclicality.

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

1. Cash and cash equivalents, 13% Decrease

   The decrease in cash and cash equivalents was due to the payment of dividends before the end of the year, as well as project costs for the Siguil Hydro Power Corporation EPC contractor. This utilization of funds underscores the Company's commitment to rewarding shareholders while simultaneously investing in strategic projects to bolster its operations and future growth prospects.

2. Trade and other receivables, 7% Decrease

   The decrease was due to the timing of collection of trade receivables during the year. In previous years, the Company provided financial relief to certain electric cooperatives and distribution utilities in response to the effects of the COVID-19 pandemic. These relief measures included restructuring existing receivables and extending payment terms.

3. Prepaid Expenses, 22% Increase

   The increase in this account during the year was attributed to the additional deposit for the debt reserve account of the Parent Company, as well as the input tax generated by Siguil Power Corp for its plant construction

4. Contract assets, 5% Decrease

   The decrease was attributed to the revenue adjustment of Sarangani, resulting from the straight-line amortization of its Capital Recovery Fee over the useful life of its plant.

5. Investment in Real Estate, 41%, Decrease

   The additional lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate in 2022 were acquired by a locator as additional space for its plant currently under construction. A similar arrangement was made in the previous year, wherein a long-term lease covering a period of 50 years, extendable for another 50 years at no additional cost, was agreed upon by the lessee. This arrangement is accounted for under finance lease. Consequently, the related real estate asset was derecognized by the Company, and the full settlement of the locator's lease payments was included as part of the income during the year.

6. Advances to Contractors, 16% Increase

   The increase in this account was caused by the additional advances made during the year by Siguil Hydro Power Corp. to its EPC Contractor, Sta. Clara International.

7. Net retirement benefit assets, 5% Decrease

   The decrease was due to benefits paid during the year, resulting in a reduction of the value of assets in a defined benefit obligation compared to the present value of the liabilities, as determined by an independent actuary.

8. Deferred income tax assets, 15% Increase

The increase primarily stemmed from the deferred tax effect resulting from the recognition of additional net loss carryovers during the year. This reflects the Company's utilization of tax benefits to offset current and future taxable income, thereby optimizing its tax position and enhancing overall financial performance.

9. Other noncurrent assets, 24% Increase

The increase was primarily driven by the additional project related expenditures for Sindangan and Bago and additional input VAT on importation for Siguil Power Corp.

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

The rise was mainly attributable to the increased balances of trade payables and accrued expenses, partially offset by the payment of Sarangani's dividends payable during the year.

11. Loans payable, 18% increase; Short-term notes payable, 20% Increase

The increase in loans payable and short-term notes payable was primarily due to additional loans obtained during the year to finance the construction of the Siguil Hydro Power Plant Project. This expansion of financial liabilities underscores the Company's strategic investment in meeting the growing energy demands in the areas where our Company operates.

12. Income tax payable, 35% Increase

The increase stemmed from higher taxable income earned during the year by Sarangani Energy Corporation and Southern Philippines Power Corporation, mainly from the collection of receivables from NPC for its GD6 engine.

13. Lease liability, 60% Decrease

The decrease was primarily due to the lower lease commitments recognized during the year. This reduction in lease commitments reflects the Company's prudent management of its financial obligations and its adaptability to changing market conditions.

14. Current portion of long-term debt, 17% Increase
Long-term debts – net of current portion, 13% Decrease

The increase in the current portion of long-term debt stemmed from the recognition of maturing principal payments for the next twelve months. Conversely, the reduction in the noncurrent portion was partially offset by the additional project loan obtained by Siguil Power Corp. This adjustment reflects the Company's proactive approach to managing its debt obligations while strategically investing in new projects for future growth.

15. Decommisioning liabilities, 20% Increase

The increase is attributed to a change in the estimate of the cost for dismantling the steam turbine and generator of Sarangani Energy Corporation, in compliance with accounting standards. This adjustment reflects the Company's commitment to adhering to accounting guidelines and ensuring fair financial reporting

REVIEW OF CURRENT YEAR 2022 vs. 2021 OPERATIONS

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

Revenues and Profitability

ACR and its subsidiaries experienced a notable surge in consolidated revenues for the year, reaching ₱11,989 million, up from the previous year's ₱10,047 million. This increase can be attributed primarily to the enhanced operations of our power companies and an increase in energy dispatch throughout the year.

The cost of services increased by 24% to ₱7,765 million from ₱6,255 million in 2021, primarily driven by the escalation in fuel costs and the expenses associated with the industrial lot sold during the year.

General and administrative expenses increased slightly from ₱678 million in 2021 to ₱682 million this year. The increase was due mainly to the higher provision of expected credit losses and personnel costs, among others. The 2022 operations have returned to new normal as the COVID-19 scare eases. As a result, operating profit increase significantly to ₱3,532 million from last year's ₱3,114 million.

The Company continues to post strong earnings before interest, taxes, depreciation and amortization (EBITDA) registering ₱5,289 million in 2022, surpassing last year's ₱4,709 million. The resulting EBITDA margin is 44% from 47% from last year.

Meanwhile, finance charges decrease by 4% from ₱1,717 million in 2021 to ₱1,650 million in 2022. The decrease was due to the settlement of maturing loans of Sarangani during the year. Interest income on the other hand increase by 50% from ₱16 million income earned in 2021 to ₱25 million this year. The increase was due mainly to higher interest rates on placements during the year.

Equity in net earnings coming from the Company's share in Aviana Development Corp. posted lower results in 2022 of ₱55 million from ₱72 million in the previous year due mainly to the lower sales performance of the Company.

The Company's other income of ₱259 million is significantly better than last year's ₱1 million. This year's other income includes the gain recognized by KAIEDC for the lot it leased to Panhua which accounted for under finance lease. This gain was partly offset by the recognition of an impairment loss of goodwill.

As a result of the foregoing, the consolidated net income posted steady result of ₱1,875 million. The income attributable to Parent of ₱617 million is 52% better that last year's ₱405 million posting an earnings per share of ₱0.097 from ₱0.064 last year.

Financial Position

As of December 31, 2022, total resources of ACR and Subsidiaries remained strong at ₱47,796 million, almost the same level reported in 2021.

Current assets likewise remains stable at ₱11,264 million this year. The decrease in inventories and prepaid expenses was offset by the increase in trade and other receivables.

Noncurrent assets remain the same at ₱36,533 million. The depreciation expense recognized during the year was offset by the cost incurred for the cost of Siguil Hydro Power Plant which is currently under construction.

Current liabilities increased by 2% from ₱9,618 million to ₱9,789 million, largely on the availment of short-term loans payable by the Parent Company which were mostly used for the construction Siguil Power Plant. Noncurrent liabilities, on the other hand, decreased by 5% 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 5% from ₱17,952 million to ₱18,909 million due mainly to the income earned during the year.

ACR posted a current ratio of 1.15:1 in 2022 compared to 1.16:1 in 2021 mainly due to the higher current liabilities brought about by the increase in loans payable.

Net cash inflows from operating activities remain stable and continue to be the source of payment of maturing obligations and trade payables. Net cash used for investing activities increased significantly from ₱976 million to ₱2,078 million this year due mainly to the additional project cost incurred for the construction of Siguil Hydro Power plant. Net cash outflows from financing activities amounted to ₱2,527 million is slightly lower than last year's ₱2,643 million. The increase in loan and long-term debt was offset by the payments made during the year. The net cash balance after accounting for the above changes reached ₱2,796 million, slightly lower than the ₱2,864 million in the previous year.

Key Performance Indicators (KPI)

The Company's operations for the year ended December 31, 2022 showed stable gross profit at ₱ 4,215 million compared to last year's ₱3,792 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Table 4 – Comparative KPIs (2022 Vs. 2021)

Financial KPI	**Definition**	**Calendar Year**	
		2022	2021
Profitability			
Revenues		₱11,989	₱10,046
EBITDA		5,289	4,709
EBITDA Margin	EBITDA ÷ Net Sales	44%	47%
Return on Equity	Net Income ÷ Total Stockholders' Equity	10%	7%
Net Earnings Attributable To Equity Holders		₱617	₱405
Efficiency			
Operating Expense Ratio	Operating Expenses ÷ Gross Operating Income	19%	22%
Liquidity			
Net Service Coverage	Total Cash Available for for Debt Service ÷ Aggregate	2.01:1	2.32:1

	Principal and Interest during Next Period		
Debt-To-Equity Ratio		1.53:1	1.66:1
Current Ratio	Current Assets ÷ Current Liabilities	1.15:1	1.16:1

Profitability

The earnings before interest, taxes, depreciation and amortization ("EBITDA") of the Company improved to ₱5,289 million from ₱4,709 million in 2021. The better performance of the operating power plants let to an EBITDA margin of 44% in 2022.

Return on equity also improved to 10% from last year's 7%. While the net income attributable to the equity holders of the parent jumped 52% ₱617 million from last year's ₱405 million. All of the operating power plants continue to deliver positive results as the COVID-19 scare eases.

Efficiency

The Company's operating expense ratio decreased to 19% from last year's 22%. The operating power plants continue to improved their operating performance during the year.

Leverage and Liquidity

The project loan drawdown of the Siguil Hydro Project as well as the additional short-term debts obtained by the Parent Company which was offset by the amortization of Sarangani's project loan resulted to an increase in financial debt by 0.7%. Consequently, net debt coverage ratio decreased to 11% from last year's 13%.

Notes to Consolidated Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACR and its Subsidiaries for the years ended December 31, 2022 and 2021 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 cyclicality.

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

1. Short-term investments, 10% Increase

   The increase in short-term investment (2022: ₱124 million vs. 2021: ₱112 million) was due mainly to the additional placement made during the last quarter of the year as the timing of the usage cash for operations and or the payment of the construction of Siguil Hydro Power Plant which is expected to begin commercial operations in later part of 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. Inventories - at cost, 32% decrease

   The decrease was due mainly to the timing of coal purchases of Sarangani Energy Corporation which has fuel supply and/or transport agreements with Kaltim Prima Coal, and Galaxy Energy and Resources for low Sulphur coal, or sub-bituminous coal from Indonesia with gross calorific value ranging from 4200 to 5000 kCal per kilogram. Local supply is sourced from Semirara Mining and Power Corporation. The company is also procuring coal via spot market or short-term contracts with flexible pricing options with prices based on Indonesian Coal Index and or Fixed Price arrangements.

4. Prepaid Expenses, 44% Decrease

   The release of debt reserve account of Sarangani Energy Corporation during the year let to the decrease in this account.

5. Noncurrent Portion of Trade Receivables, 5% 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.

6. Investment in Real Estate, 20%, Decrease

The lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate in 2021 has been transmitted to a locator during the year through execution of long-term lease arrangement covering a period of 50 years and extendible period of another 50 years at no additional cost to the paid by the lessee. This arrangement is accounted for under finance lease. As such, the related real estate asset was derecognized by the Company and the full settlement of the locator of the lease payments were included as part of the income during the year. The above terms led to the decrease in the investment in real estate accounts by 20%.

7. Advances to Contractors, 206% Increase

The additional advances made during the year by Siguil Hydro Power Corp. to its EPC Contractor, Sta. Clara International, caused the increase in this account.

8. Goodwill, 24% Decrease
The Company recognized an impairment of ₱165 million during the year. The Company assessed that the carrying value of the underling assets of SPPC and WMPC's cash generating units including goodwill is greater than its fair value based on the expected cash flows.

9. Net retirement benefit assets, 10% Increase

The increase was due to the excess of the value of the assets in a defined benefit obligation over the present value of the liabilities as determined by an independent actuary during the year.

10. Deferred income tax assets, 44% Decrease

The decrease was primarily due to the decline in the carrying value of the capitalized interest, which depreciation expense was provided during the year. In addition, the deferred tax effect of the net loss carry-over was also deducted for the expired portion.

11. Other noncurrent assets, 50% Increase

The increase was primarily due to the restricted cash relating to Siguil's long-term debt. The first principal payment is scheduled in 2024.

12. Accounts payable and other current liabilities, 40% Decrease

The decrease is due to payments made during the year for the accrued liabilities pertaining to the bulk purchases of coal during the months of November and December 2021. In addition, the dividends payable of Sarangani Energy in 2021 was settled in 2022 amounting to ₱750 million.

13. Loans payable, 103% increase; Short-term notes payable, 19% Decrease

The increase in loans payable was due to additional loans availed during the year, while the decrease short-term notes payable was due to the settlement of the matured portion towards the end of 2022.

14. Income tax payable, 16% Increase

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

15. Lease Liability, 131% Increase

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

16. Current Portion of Long-term Debt, 38% Increase
    Long-term debts – net of Current portion, 6% Decrease

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

17. Deferred Credit, 75% increase

    The increase is due to the portion of Join 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 2019. 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.

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 has been rotated in 2023.

3. Fees for the years ended December 31, 2023 and 2022 were ₱580,000 and ₱550,000, respectively. 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 5- 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, 81, 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, 77, 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 Drector of the other companies in the Alcantara Group (since August 2001).

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

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

Editha I. Alcantara, 75, 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., 80, 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, 69, 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, 76, 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., 74, 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, 84, 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, 78, 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, 75, 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 fist 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 receipient 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 entring 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. 73, Filipino, became a director of the Company in August 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 6 – 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	Ana Maria Margarita A. Katigbak	Filipino
Deputy Chief Financial Officer Assistant Corporate Secretary	Philip Eward B. Sagun Jonathan F. Jimenez	Filipino Filipino
Chief Investment and Strategy Officer	Antonio Miguel B. Alcantara	Filipino

Ana Maria Margarita A. Katigbak, 55, Filipino, has been the Corporate Secretary of the Company since June 24, 2021. 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.

Philip Edward B. Sagun, 49, Filipino, was appointed as the Deputy Chief Financial Officer of the Company on May 2019. In February 2015, he joined the Alcantara Group as AVP Head of Corporate Finance and Treasury.

Prior to joining the company, Mr. Sagun held various roles in the banking and Manufacturing sector as First Vice President for Philippine Bank of Communications, Associate Director in Australia New Zealand (ANZ) Bank and Vice President and Treasury Head of First Philippine Electric Corp. He is a Chartered Management Accountant and an Affiliate in Development Bank Management. He obtained his Bachelor of Arts degree in Social Science from Ateneo De Manila University and holds a Master of Science in Finance from the University of the Philippines.

Jonathan F. Jimenez, 58, Filipino, was appointed as the Assistant Corporate Secretary of the Company on April 1, 2022. He is a member of the Philippine bar and a Juris Doctor (Law) graduate of the Ateneo de Manila University in 1992. Atty. Jimenez has a long-standing career of 25 years in the Alcantara Group. He first joined the Alcantara Group in October 1998 where he served as Legal Counsel of Lima Land, Inc. for 15 years. In October 2013, he transferred to Alsons Land Corporation prior to moving to Conal Corporation in March 2014 as Legal Counsel and now serves as the Corporate Secretary of the Group's other Businesses

Antonio Miguel B. Alcantara, 39, 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 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, Massachusets 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. Alejandro IrAlcantara.

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, 2024 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

6. Significant employees

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

7. Legal Proceedings where Property is the Subject

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

Item 11. **EXECUTIVE COMPENSATION**

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

The aggregate amounts paid by the Company to its Directors and Executive Officers as a group were ₱2,610,000, ₱2,565,000 and ₱3,300,000 for the years 2023, 2022 and 2021, respectively. For 2022, the Company estimates that it will pay an aggregate amount of ₱3,630,000 as compensation to its Directors and Executive Officers.

Table 7 - Summary of Compensation of Directors and Executive Officers

Name and Principal Position	Year (With 2024 Estimates)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Nicasio I. Alcantara Chairman and President	2024 2023 2022 2021	₱ - - -	₱315,000 180,000 180,000 210,000
2. Editha I. Alcantara Director & Treasurer	2024 2023 2022 2021	- - -	390,000 270,000 255,000 315,000
3. Tirso G. Santillan, Jr. Director, EVP & COO	2024 2023 2022 2021	- - -	315,000 210,000 180,000 255,000
4. Tomas I. Alcantara Director	2024 2023 2022 2021	- - - -	315,000 120,000 180,000 240,000
5. Jose Ben R. Laraya Director	2024 2023 2022 2021	- - - -	390,000 285,000 255,000 315,000
6. Ramon T. Diokno Director	2024 2023 2022 2021	- - - -	315,000 285,000 255,000 270,000
7. Thomas G. Aquino Director	2024 2023 2022 2021	- - - -	315,000 285,000 255,000 270,000
8. Jacinto C. Gavino, Jr. Director	2024 2023 2022 2021	- - - -	315,000 285,000 255,000 300,000
9. Alejandro I. Alcantara	2024 2023 2022 2021	- - - -	240,000 180,000 180,000 240,000
10. Arturo B. Diago, Jr.	2024 2023 2022 2021	- - - -	240,000 180,000 180,000 240,000
11. Honorio A. Poblador III	2024 2023 2022 2021	- - - -	240,000 180,000 180,000 240,000
All other Officers and Directors as a group unnamed	2024 2023 2022 2021	- - - -	240,000 150,000 210,000 420,000

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, 2023, 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 8 - 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	**Alsons Corporation[1] (AC)** Alsons Bldg., 2286 Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation[2]	Filipino	2,592,524,072	41.21%
Common	**Alsons Power Holdings Corp[1]. (APHC)** Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	Alsons Power Holdings Corporation[2]	Filipino	1,249,999,599	19.87%
Common	**Alsons Development & Investment Corp[1]. (ALDEVINCO)** 329 Bonifacio St., Davao City	Affiliate	Alsons Development and Investment Corporation[2]	Filipino	1,188,524,026	18.89%
Common	**PCD Nominee Corporation[3] (Fil)** MSE Bldg., Ayala Ave., Makati City	None	Various[4]	Filipino	1,177,998,212	18.72%

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

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

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

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

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, 2024:

Table 9 - 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%
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%
Total		100,101			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 2023, and 2022, 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

The Company complies with all Corporate Governance requirements imposed by the Securities & Exchange Commission, and submits to the Commission such reports, disclosures, and other documents required by the Commission, and the applicable codes, and manuals, on Corporate Governance on or before the due date of the same.

A. Evaluation System

The Company continuously determines compliance by the Board of Directors and top-level management with Company's Manual of Corporate Governance by reviewing the said Manual, and the current Corporate Governance Code of the Commission, before each meeting of the Board, and before each meeting of its committees.

The Company also periodically reviews the charter, and functions, of the Board and its Committees, namely the Executive & Corporate Governance Committee, the Audit, Risk Oversight, and Related Party Transaction Committee, the Nomination & Election Committee, the Compensation Committee, and the Retirement Committee, to determine whether the appropriate committee should meet, and if so, determine the agenda for the said meeting.

Thus, the evaluation system established by the Company to determine compliance with the Company's Manual on Corporate Governance, the Commission's applicable Code of Corporate

Governance, the charter of the Board or Committee, is a thorough and comprehensive review of the Company's activities before each Board or Committee meeting, and the presentation to the Board or Committee of the necessary activity for said compliance.

The Company used the following criteria in evaluating or assessing the Directors:

Demonstration of knowledge, skills, and experience to be a valuable resource in the Board's fulfillment of its responsibilities;

(a) Possession of strong up-to-date understanding of the business of the Company and its wholly owned subsidiaries;
(b) Introduction of useful outside information and perspective to Board and Committee deliberations;
(c) Participation in, and is engagement at, meetings of the Board and Committees;
(d) Contributions to Board discussions are forward- looking, constructive, timely, independent, and to the point;
(e) Demonstration of a cooperative attitude and willingness to compromise in order to promote Board cohesion;
(f) Possession of understanding and sensitivity to the fiduciary, ethical, legal responsibilities of the Board;
(g) Apropriate representation of the Company when interacting with members of the public; and (i) Overall, valuable to the Board, and/or Company.

Rating Range

The Company provided a rating range of: "1" being equivalent to "Always/almost always"; "2" being equivalent to "Usually; "3" being equivalent to "Sometimes; "4 " being equivalent to "Rarely"; "5 " being equivalent to "Almost never/Never", and "0 " being equivalent to "Don't know". Raters were allowed to provide a decimal in increments of 0.25 in each of their ratings.

Procedure

After the rescheduled annual shareholders' meeting in 2020, before the subsequent meeting of the Audit Committee, and the following Board meeting, the Company conducted a thorough and comprehensive review of the Company's compliance with its Manual on Corporate Governance, which involved an internal assessment of the performance of the Board, its Chairman, its individual Directors, and the Board's committees using the above criteria. Since the internal assessment was performed in the midst of the pandemic, the Company relied on video and telephone conferences, and dispensed with written evaluation sheets to receive the in-house appraisal of the performances of the available Directors, the Board as a whole, and two (2) of the Board's Committees, the Audit Risk Oversight and Related Party Transaction Committee, and the Executive and Corporate Governance Committee.

Appraisal Results and Performance Report

Using the above-enumerated criteria, the results of the in-house and internal appraisal, evaluation, and assessment were as follows: the available Directors earned an average rating of 1.21; the two (2) Committees earned an average rating of 1.24; and overall, the Board earned a rating of 1.25."

B. Compliance with Adopted Leading Practices

Similar to the continuous evaluation system to determine compliance with the Company's Manual on Corporate Governance, the Commission's applicable Code of Corporate Governance, and/or the charter of the Board or Committee, adopted leading practices on good Corporate Governance are always discussed during Board meetings, or Committee meetings, as the Directors are always trying to improve the Company's operations, and goal-oriented activities. After the presentation by the management of the item in the agenda, a discussion ensues on how the Company could improve, or what measures need to be taken to achieve a better outcome.

Past discussions resulted in the current practice of checking current Company performance against an evolving five-year – or even a longer term – plan. The Directors also query management on the methods to achieve established targets in the long-term plans. The Board has even conducted a workshop to tackle issues arising from efforts to achieve targets that were set during an earlier, and less volatile, period.

C. Deviations from the Manual

As reported to the Commission, and as set forth in various disclosures and filings at ww.acr.com.ph, the Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities. The Committee has five members, and three of those are independent directors.

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 of the Manual, and of the Code, are still being achieved since the said Committee continues to assists the Board in performing its corporate governance responsibilities. No sanctions are envisioned for this fully justified deviation.

In its 2020 Corporate Governance Manual, the Company addresses the situation where the Chairman of its Board, Mr. Nicasio I. Alcantara, is also the Company's Chief Executive Officer (CEO). The Company has stated:

> "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."

While 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 of the Manual, and of the Code, is still being observed. Moreover, 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 2020 Manual on Corporate Governance, and these are different from the responsibilities of the Chairman. No sanctions are envisioned for this fully justified deviation.

D. Plans to Improve Corporate Governance

The Company has been discussing the feasibility of separating the Executive & Corporate Governance Committee into two separate committees: the Executive Committee, and the Corporate Governance Committee. With this separation, the chair of the Corporate Governance Committee would be an Independent Director, as envisioned in the Company's Manual on Corporate Governance, and the Commission's applicable Code of Corporate Governance. The Chairman of the Board of Directors would then remain as the Chairman of the Executive Committee, which is in accordance with the said Manual, and Code.

A Corporate Governance Committee meeting separately from the Executive Committee, and chaired by an Independent Director, would then be able to better address the various issues arising from the operations of the Company, and that of its subsidiaries.

The Company is also considering an update of the respective charters of the committees. Such updated charters should provide a clear guidance to each committee on their functions, purposes, and objectives.

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, 2023 and 2022 are attached as Exhibit 1:

- Management's Responsibility to the Financial Statements
- Independent Auditor's Report
- Consolidated Balance Sheets December 31, 2023 and 2022
- Consolidated Statements of Income for the three years ended December 31, 2023, 2022 and 2021
- Consolidated Statements of Comprehensive Income for the three years ended December 31, 2023, 2022 and 2021
- Consolidated Statements of Cash Flows for the three years ended December 31, 2023, 2022 and 2021.
- Notes to Consolidated Financial Statements

15.2 Supplementary Schedules
Independent Auditor's Report on Supplementary
Schedules SRC Annex 68-E Schedules
Financial Assets – (Cash equivalents, Short-term cash investments, and Available for Sale Financial Assets)
Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
Amounts receivable from related parties which are eliminated during the consolidation of financial statements
Long-term Debt
Indebtedness to Related Parties
Guarantees of Securities of Other Issuers
Capital Stock
Schedule of Retained Earnings Available for Dividend Declaration

15.3 Reports on SEC Form 17-C

- Report on SEC Form 17-C filed during the year ended December 31, 2023 is attached together with this report and presented in Exhibit 6:

SIGNATURES

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

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

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

By:

Nicasio I. Alcantara Chairman and President	Date: 03.14.2024	Tirso G. Santillan, Jr. Executive Vice-President and Chief Operating Officer	Date: 03.14.2024
Editha I. Alcantara Treasurer	Date: 03.14.2024	Philip Edward B. Sagun Deputy Chief Finance Officer	Date: 03.14.2024
Ana Maria Margarita Katigbak Corporate Secretary	Date: 03.14.2024		

SUBSCRIBED AND SWORN to before me this 14 day of MAR 2024 PARAÑAQUE CITY affiants exhibiting to me competent evidence of their respective identity as follows:

NAMES	IDENTIFICATION NO.	DATE & PLACE OF ISSUE
Nicasio I. Alcantara	P9170862B	03/14/2022 / DFA Manila
Tirso G. Santillan, Jr.	DL#N17-72-000977	Valid until 02/12/2028 LTO QC
Editha I. Alcantara	P5005115B	03/02/2020 / DFA Manila
Philip Edward B. Sagun	N01-94-161072	Valid until 11/10/2032 LTO
Ana Maria Margarita Katigbak	P7145377B	07/07/2021/DFA Manila

Notary Public

Doc. No. 133
Page No. 28
Book No. 15
Series of 2024

VILMA HILDA D. VILLANUEVA-FABELLA NOTARY PUBLIC PARAÑAQUE CITY

ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2024
IBP No. 378079/12-28-2023/PPLM
PTR No. 3482808/1-04-2024/Parañaque
Roll No. 41901
Not. Com. No. 119-2023/1-09-2023

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

INDEX TO EXHIBITS

Form 17-A

	Page No.
Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
Instruments Defining the Rights of Security Holders, Including Indentures	**
Voting Trust Agreement	*
Material Contracts	**
Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
Letter re: Change in Certifying Accountant	*
Report Furnished to Security Holders	*
Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consent of Experts and Independent Counsel	*
Power of Attorney	*

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

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

Exhibit 1

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
And Years Ended December 31,2023, 2022 and 2021

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 . 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	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	N A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	(02) 8982-3000	09178581642

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
447	June 19	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jose D. Saldivar, Jr.	jsaldivar@alcantaragroup.com	(02) 8982 - 3000	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, 2023, 2022 and 2021, 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	**TIRSO G. SANTILLAN, JR.**	**PHILIP EDWARD B. SAGUN**
Chairman and President	Executive Vice-President	Deputy Chief Financial Officer

Signed this 14th of March 2024.

MAR 14 2024

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

Name	Identification No.	Date and Place of Issue
Nicasio I. Alcantara	P9170862B	Valid Until 03-14-2032 /DFA
Tirso G. Santillan, Jr.	N17-72-000977	Valid Until 02-12-2028 LTO QC
Philip Edward B. Sagun	N01-94-161072	Valid Until 11-10-2032 /LTO

Doc No. 131
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VILMA HILDA D. VILLANUEVA-FABELLA NOTARY PUBLIC PARAÑAQUE CITY

ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2024
IBP No. 378079/12-26-2023/PPLM
PTR No. 3482808/1-04-2024/Parañaque
Roll No. 41901
Not. Com. No. 119-2023/1-09-2023

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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, 2023, the carrying value of the Group's goodwill amounted to ₱527 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions, specifically the contracted and dispatchable capacities, tariff rates and discount rates.

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

Audit Response

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

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

The Group's 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, 2023. 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; fair values of unlisted equity securities against adjusted net asset values of the investee companies; and discount for lack marketability and lack of control against market information. 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, 2023, 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, 2023 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 Djole S. Garcia.

SYCIP GORRES VELAYO & CO.

Djole S. Garcia
Djole S. Garcia
Partner
CPA Certificate No. 0097907
Tax Identification No. 201-960-347
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-102-2021, September 16, 2021, valid until September 15, 2024
PTR No. 10079941, January 5, 2024, Makati City

March 14, 2024

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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	**₱2,429,127,715**	₱2,796,280,747
Short-term cash investments (Note 7)	**122,505,384**	123,724,552
Trade and other receivables (Notes 8 and 20)	**5,572,156,388**	5,986,468,079
Inventories - at cost (Note 9)	**994,647,943**	1,037,141,653
Real estate inventories (Note 10)	**620,526,273**	622,840,466
Prepaid expenses and other current assets (Notes 15 and 18)	**850,446,358**	697,187,726
Total Current Assets	**10,589,410,061**	11,263,643,223
Noncurrent Assets		
Noncurrent portion of trade receivables (Note 8)	**3,323,416**	3,323,416
Contract assets (Note 8)	**1,594,771,934**	1,684,163,954
Investments in real estate (Notes 10 and 30)	**243,515,741**	410,914,921
Investments in associates (Note 11)	**2,303,296,078**	2,305,803,186
Property, plant and equipment (Note 12)	**28,517,240,059**	27,741,914,110
Equity investments designated at fair value through other comprehensive income (FVOCI) [Note 13]	**2,353,235,905**	2,355,339,743
Advances to contractors	**531,888,078**	456,601,567
Goodwill (Note 14)	**527,187,320**	527,187,320
Net retirement benefits assets (Note 28)	**21,287,028**	22,385,884
Deferred income tax assets - net (Note 29)	**27,665,540**	23,985,449
Other noncurrent assets (Note 18)	**1,237,060,864**	1,001,225,019
Total Noncurrent Assets	37,360,471,963	36,532,844,569
TOTAL ASSETS	**₱47,949,882,024**	₱47,796,487,792
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 16)	**₱2,885,476,634**	₱2,580,667,584
Loans payable (Note 17)	**3,775,297,128**	3,194,099,417
Short-term notes payable (Note 17)	**1,895,578,640**	1,576,622,383
Income tax payable	**94,108,058**	69,658,316
Current portion of long-term debts (Note 18)	**2,759,523,797**	2,367,618,137
Total Current Liabilities	**11,409,984,257**	9,788,665,837
Noncurrent Liabilities		
Long-term debts - net of current portion (Note 18)	**15,423,495,446**	17,687,397,843
Net retirement benefits liabilities (Note 28)	**92,387,366**	69,819,334
Lease liabilities - net of current portion (Note 30)	**7,224,542**	18,036,134
Decommissioning liabilities (Notes 12 and 19)	**476,024,873**	395,092,476
Deferred credit (Note 33)	**295,026,290**	295,026,290
Deferred income tax liabilities - net (Note 29)	**612,776,418**	633,199,351
Total Noncurrent Liabilities	**16,906,934,935**	19,098,571,428
Total Liabilities	**₱28,316,919,192**	₱28,887,237,265

(Forward)

	December 31	
	2023	2022
Equity (Note 21)		
Capital stock	**₱6,346,500,000**	₱6,346,500,000
Equity reserves	**2,542,106,409**	2,560,906,702
Retained earnings:		
Unappropriated	**3,029,496,824**	2,518,585,684
Appropriated	**1,100,000,000**	1,100,000,000
Attributable to equity holders of the Parent Company	**13,018,103,233**	12,525,992,386
Non-controlling interests (Notes 1 and 21)	**6,614,859,599**	6,383,258,141
Total Equity	**19,632,962,832**	18,909,250,527
TOTAL LIABILITIES AND EQUITY	**₱47,949,882,024**	₱47,796,487,792

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 6 and 33)	**₱12,422,746,980**	₱11,989,232,129	₱10,046,853,824
COSTS AND EXPENSES			
Cost of services (Note 22)	**(7,970,051,073)**	(7,765,115,552)	(6,255,304,967)
Cost of real estate sold (Note 10)	**(2,314,193)**	(9,230,173)	–
General and administrative expenses (Note 23)	**(708,228,281)**	(847,947,716)	(678,039,319)
	(8,680,593,547)	(8,622,293,441)	(6,933,344,286)
OTHER INCOME (CHARGES)			
Finance charges (Note 26)	**(1,655,132,725)**	(1,650,401,744)	(1,716,943,551)
Equity in net earnings of associates (Note 11)	**22,392,892**	54,720,253	72,357,699
Interest income (Notes 7 and 15)	**87,302,155**	24,781,780	16,473,016
Others - net (Note 27)	**369,870,562**	424,259,077	922,876
	(1,175,567,116)	(1,146,640,634)	(1,627,189,960)
INCOME BEFORE INCOME TAX	**2,566,586,317**	2,220,298,054	1,486,319,578
PROVISION FOR INCOME TAX (Note 29)			
Current	**283,627,340**	326,898,946	191,481,168
Deferred	**(2,106,778)**	18,255,276	(25,844,681)
	281,520,562	345,154,222	165,636,487
NET INCOME	**₱2,285,065,755**	₱1,875,143,832	₱1,320,683,091
Net income attributable to:			
Equity holders of the Parent Company	**₱641,141,140**	₱617,343,193	₱404,555,589
Non-controlling interests	**1,643,924,615**	1,257,800,639	916,127,502
	₱2,285,065,755	₱1,875,143,832	₱1,320,683,091
Basic/diluted earnings per share attributable to equity holders of the Parent Company (Note 21)	**₱0.101**	₱0.097	₱0.064

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱2,285,065,755**	₱1,875,143,832	₱1,320,683,091
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss:			
Actuarial gains on defined benefit plan (Note 28)	**7,989,765**	12,682,775	27,644,200
Tax effect (Note 29)	**21,388**	443,147	(2,394,447)
	8,011,153	13,125,922	25,249,753
Net changes in fair values of equity investments designated at FVOCI (Note 13)	**(2,103,838)**	(6,456,683)	16,695,982
	5,907,315	6,669,239	41,945,735
Items that will be reclassified to profit or loss:			
Translation adjustments	**(2,030,765)**	26,037,973	16,439,296
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	**3,876,550**	32,707,212	58,385,031
TOTAL COMPREHENSIVE INCOME	**₱2,288,942,305**	₱1,907,851,044	₱1,379,068,122
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱622,340,847**	₱645,924,218	₱457,756,436
Non-controlling interests	**1,666,601,458**	1,261,926,826	921,311,686
	₱2,288,942,305	₱1,907,851,044	₱1,379,068,122

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, 2023, 2022 AND 2021

	Attributable to Equity Holders of the Parent Company										
		Equity Reserves									
	Capital Stock (Note 21)	Remeasurement Gains (Losses) on Defined Benefit Plan (Notes 21 and 28)	Unrealized Gains (Losses) on FVOCI (Notes 13 and 21)	Cumulative Translation Adjustments (Note 21)	Other Equity Reserves (Note 21)	Sub-total	Retained Earnings (Note 21) Unappropriated	Retained Earnings (Note 21) Appropriated	Total	Non-controlling Interests (Note 1)	Total Equity
BALANCES AS AT DECEMBER 31, 2020	**₱6,340,083,333**	**(₱7,519,314)**	**(₱47,068,822)**	**₱1,679,092,204**	**₱854,620,762**	**₱2,479,124,830**	**₱1,757,146,902**	**₱1,100,000,000**	**₱11,676,355,065**	**₱4,028,055,914**	**₱15,704,410,979**
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)
BALANCES AS AT DECEMBER 31, 2021	**6,344,483,333**	**12,604,820**	**(30,372,840)**	**1,695,472,935**	**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	–	–	–	–	–	–	617,343,193	–	617,343,193	1,257,800,639	1,875,143,832
Other comprehensive income (loss)	–	8,999,735	(6,456,683)	26,037,973	–	28,581,025	–	–	28,581,025	4,126,187	32,707,212
Total comprehensive income (loss)	–	8,999,735	(6,456,683)	26,037,973	–	28,581,025	617,343,193	–	645,924,218	1,261,926,826	1,907,851,044
Collection of subscriptions receivable	2,016,667	–	–	–	–	–	–	–	2,016,667	–	2,016,667
Cash dividends declaration (Note 21)	–	–	–	–	–	–	(130,230,000)	–	(130,230,000)	(822,500,000)	(952,730,000)
BALANCES AS AT DECEMBER 31, 2022	**6,346,500,000**	**21,604,555**	**(36,829,523)**	**1,721,510,908**	**854,620,762**	**2,560,906,702**	**2,518,585,684**	**1,100,000,000**	**12,525,992,386**	**6,383,258,141**	**18,909,250,527**
Net income	–	–	–	–	–	–	641,141,140	–	641,141,140	1,643,924,615	2,285,065,755
Other comprehensive income (loss)	–	(14,665,690)	(2,103,838)	(2,030,765)	–	(18,800,293)	–	–	(18,800,293)	22,676,843	3,876,550
Total comprehensive income (loss)	–	(14,665,690)	(2,103,838)	(2,030,765)	–	(18,800,293)	641,141,140	–	622,340,847	1,666,601,458	2,288,942,305
Cash dividends declaration (Note 21)	–	–	–	–	–	–	(130,230,000)	–	(130,230,000)	(1,435,000,000)	(1,565,230,000)
BALANCES AS AT DECEMBER 31, 2023	**₱6,346,500,000**	**₱6,938,865**	**(₱38,933,361)**	**₱1,719,480,143**	**₱854,620,762**	**₱2,542,106,409**	**₱3,029,496,824**	**₱1,100,000,000**	**₱13,018,103,233**	**₱6,614,859,599**	**₱19,632,962,832**

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,566,586,317**	₱2,220,298,054	₱1,486,319,578
Adjustments for:			
Finance charges (Note 26)	**1,655,132,725**	1,650,401,744	1,716,943,551
Depreciation and amortization (Note 25)	**1,356,302,717**	1,442,958,108	1,522,032,734
Equity in net earnings of associates (Note 11)	**(22,392,892)**	(54,720,253)	(72,357,699)
Interest income (Notes 7 and 18)	**(87,302,155)**	(24,781,780)	(16,473,016)
Movements in net retirement assets and retirement benefits liabilities (Notes 24 and 28)	**8,858,145**	5,673,142	(7,434,561)
Unrealized foreign exchange gain - net	**(3,654,442)**	(3,625,652)	(6,513,998)
Gain on sale of property, plant and equipment (Note 27)	**(1,124,277)**	(705,124)	(2,975,284)
Impairment of goodwill (Notes 14 and 23)	**–**	165,000,000	–
Operating income before working capital changes	**5,472,406,138**	5,400,498,239	4,619,541,305
Decrease (increase) in:			
Trade and other receivables	**699,383,011**	(457,330,996)	(829,477,544)
Contract assets	**89,392,020**	9,296,921	199,994,639
Real estate inventories	**2,314,193**	9,230,173	–
Inventories	**42,493,710**	480,184,197	(678,667,903)
Prepaid expenses and other current assets	**(68,896,793)**	566,385,969	(121,509,536)
Increase (decrease) in accounts payable and other current liabilities	**517,362,393**	(1,140,667,744)	725,157,949
Cash generated from operations	**6,754,454,672**	4,867,596,759	3,915,038,910
Income taxes paid including creditable withholding taxes	**(384,155,394)**	(438,169,492)	(141,388,071)
Net cash flows from operating activities	**6,370,299,278**	4,429,427,267	3,773,650,839
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment, including advances to contractors (Notes 12 and 35)	**(2,015,356,693)**	(1,397,819,955)	(493,496,209)
Computer software	**(100,000)**	(661,289)	(2,627,220)
Investments in real estate (Note 10)	**(3,405,833)**	(5,127,010)	(208,811,239)
Proceeds from government grant (Note 33)	**–**	126,177,904	168,848,386
Dividends received from associate (Note 11)	**24,900,000**	24,900,000	24,900,000
Interest received	**87,302,155**	24,781,780	16,473,016
Withdrawal of (additions to) short-term cash investments (Note 7)	**1,219,168**	(11,289,978)	(6,561,015)
Proceeds from disposals of property, plant and equipment	**(17,133,587)**	2,725,076	3,884,598
Advances made to related parties	**(287,102,085)**	(631,231,851)	(441,330,914)
Additions to other noncurrent assets	**(87,492,233)**	(105,738,206)	(37,508,953)
Net cash flows used in investing activities	**(2,297,169,108)**	(1,973,283,529)	(976,229,550)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans and long-term debts (Notes 17, 18 and 35)	**₱7,457,949,255**	₱7,379,099,417	₱3,378,400,000
Payments of:			
Loans and long-term debts (Note 35)	**(8,471,777,603)**	(6,707,426,710)	(3,617,686,550)
Interest expense (Notes 30 and 35)	**(1,541,361,998)**	(1,522,627,562)	(1,660,106,861)
Dividends (Notes 21 and 35)	**(1,739,212,149)**	(1,520,674,997)	(740,829,990)
Debt issue costs (Note 18)	**(28,397,591)**	(19,563,313)	–
Principal portion of lease liabilities (Note 30)	**(10,070,821)**	(9,927,571)	(13,945,715)
Proceeds from receipt of (additions to) debt reserve account (Notes 15 and 18)	**(110,850,228)**	(126,429,485)	11,581,510
Net cash flows used in financing activities	**(4,443,721,135)**	(2,527,550,221)	(2,642,587,606)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(370,590,965)**	(71,406,483)	154,833,683
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**3,437,933**	3,497,124	6,461,517
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,796,280,747**	2,864,190,106	2,702,894,906
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,429,127,715**	₱2,796,280,747	₱2,864,190,106

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:

		Percentage of Ownership			
		2023		2022	
Subsidiaries	Nature of business	**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
Alabel Solar Energy Corporation (ASEC)	Power generation	–	**80.00**	–	–
Alsons Power International Limited (APIL)	Power generation	**100.00**	–	100.00	–
Alsons Land Corporation (ALC)	Real estate	**99.55**	–	99.55	–
MADE (Markets Developers), Inc. (MADE)	Distribution	**80.44**	–	80.44	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	**100.00**	–	100.00	–
Alsons Power Supply Corporation (APSC)	Customer service	**100.00**	–	100.00	–

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

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

Power and Energy

ATEC and Subsidiaries

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

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

On May 24, 2017, ACR and ATEC executed an assignment of share agreement wherein ACR assigned and transferred its ownership interests in SRPI to ATEC amounting to ₱1.2 million for a total consideration of ₱0.3 million, net of subscriptions payable amounting to ₱0.9 million. Accordingly, SRPI became a wholly owned subsidiary of ATEC. Subsequently, on May 31, 2017, ACR and ATEC executed a deed of assignment of advances wherein ACR assigned to ATEC its advances to SRPI totaling to ₱231 million.

On November 27, 2017, the Parent Company sold its 50% ownership interest less 1 share of the voting and total outstanding capital stock in ATEC equivalent to 14,952,678 common shares to Global Business Power Corporation (GBPC) for a total consideration amounting to ₱2,378 million, inclusive of retention receivable amounting to ₱100 million to be received upon issuance by the Bureau of Internal Revenue (BIR) of the Certificate of Authorizing Registration. 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.

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, 2023 and 2022, 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. However, SRPI has not yet started the construction of the ZAM 100 power plant. Proposals for the Engineering, Procurement, and Construction (EPC) rebidding were submitted on August 30, 2018. The selected EPC contractor remains committed to the implementation of the SRPI Project, with regular updates of project requirements to maintain readiness for implementation upon the execution of the NTP (Notice to Proceed). However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.

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.

On the other hand, SPPC and WMPC are bunker C-fired diesel generator 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 be completed in the third quarter of 2024. As at March 14, 2024, 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 of AREC. 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 14, 2024, 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 14, 2024, 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 14, 2024, upon the recommendation for approval by the Audit Committee.

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 rising inflations and geopolitical uncertainties. Despite the adverse impact of these challenges 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 material partly-owned subsidiaries of ACR either directly or indirectly:

Name of Subsidiary	Place of Ineorporation and Operation	Principal Activity	Proportion of Ownership Interest and Voting Rights Held by Non-controlling Interests		
			2023	2022	2021
ATEC	Philippines	Holding	**50.0%**	50.0%	50.0%
Sarangani	Philippines	Power generation	**62.5%**	62.5%	62.5%
ACES	Philippines	Management services	**50.0%**	50.0%	50.0%
SRPI	Philippines	Power generation	**50.0%**	50.0%	50.0%

Accumulated balances of material non-controlling interests:

	2023	2022
	Amounts in Thousands	
Accumulated balances	**₱6,759,305**	₱6,618,651

Total comprehensive income and dividends declared attributable to material non-controlling interests:

	2023	2022	2021
	Amounts in Thousands		
Total comprehensive income	**₱1,440,654**	₱1,174,036	₱908,494
Dividends declared	**(1,300,000)**	(687,500)	(758,300)

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:

	2023	2022
	Amounts in Thousands	
Current assets	**₱3,249,868**	₱4,300,451
Noncurrent assets	**24,203,726**	25,313,395
Current liabilities	**(4,026,127)**	(4,426,085)
Noncurrent liabilities	**(9,561,681)**	(11,550,850)
Equity	**₱13,865,786**	₱13,636,911

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

	2023	2022	2021
	Amounts in Thousands		
Revenue and other income	**₱9,521,595**	₱8,752,775	₱6,872,757
Expenses	**(7,019,596)**	(6,663,762)	(5,246,321)
Income tax	**(163,090)**	(245,556)	(185,021)
Net income	**2,338,909**	1,843,457	1,441,415
Other comprehensive income (loss)	**(10,035)**	15,738	15,888
Total comprehensive income	**₱2,328,874**	₱1,859,195	₱1,457,303

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

	2023	2022	2021
	Amounts in Thousands		
Operating	**₱5,512,875**	₱3,522,513	₱3,825,154
Investing	**(163,360)**	(155,496)	(85,629)
Financing	**(5,662,881)**	(3,970,870)	(3,598,620)
Net increase (decrease) in cash and cash equivalents	**(₱313,366)**	(₱603,853)	₱140,905

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, 2023

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, 2023. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- Amendments to PAS 1, *Presentation of Financial Statements* 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. The amendments have had an impact on the Group's disclosure of accounting policies, but not on measurement, recognition or presentation of any items in the Group's financial statements.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to PAS 12, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *Income Taxes - International Tax Reform – Pillar Two Model Rules*

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, 2024

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability*

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*

4. Summary of Material Accounting and Financial Reporting Policies

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.

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. Interest income is recognized as the interest accrues using EIR. 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 accounts, 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 liabilities.

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 accounts, 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 retention receivables, 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.

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.

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.

<u>Impairment of Nonfinancial Assets</u>
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.

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.

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.

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

Leases

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

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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 as follows.

Lease Asset	Useful Life (Lease Term in years)
Building	5
Port	10
Land	3-50

Right-of-use assets are subject to impairment under the policy "Impairment of nonfinancial assets".

Lease liabilities
At the commencement date of the lease, the Group 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 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 liabilities 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.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to the ownership of an asset are classified as operating leases. 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.

Rental income is recognized on a straight-line method over the term of the lease agreements. Contingent rents are recognized as revenue in the period in which they are earned.

On the other hand, if the Group transfers substantially all the risks and rewards incidental to the ownership of an asset, the lease is classified as finance lease. Factors that would, individually, or in combination, would normally lead to a lease being classified as a finance lease:

- The lease transfers ownership of the asset to the lessee by the end of the lease term
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised
- The lease term is for the major part of the economic life of the asset even if title is not transferred
- At the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the asset
- The asset is of such a specialised nature that only the lessee can use it without major modifications

The Group recognizes net investment in the lease representing lease payments not yet received at commencement date, including any residual value guarantees provided by the lessee, exercise price of option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The Group derecognizes the carrying amount of the underlying leased asset and recognizes in profit or loss any difference between the fair value of the leased asset, or, if lower, at the present value of minimum lease payments accruing to the Group and the cost or carrying amount, if different, of the leased item.

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.

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.

The total carrying values of the Group's investments in real estate and real estate inventories as of December 31, 2023 and 2022 are disclosed in Note 10.

Assessment of leases where the Group is a lessor
The Group has various lease agreements as a lessor. The Group assesses whether it retains all the significant risks and rewards of ownership of the leased properties and thus, accounted for the lease agreements as operating leases at inception of the lease. However, if the Group has determined that the lessee has obtained all the significant risks and rewards of ownership of the leased properties, the Group accounted the lease agreement as finance lease at inception of the lease. The following factors were considered when the Group has transferred all the significant risks and rewards incidental to the ownership of the leased properties - (a) the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised; and (b) at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the asset, among others (see Note 30).

<u>Estimates and Assumptions</u>
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.

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 ₱165 million in 2022 (nil in 2023 and 2021) due to the decline in the recoverable amount of goodwill attributable to the cash-generating units. The carrying amount of goodwill as at December 31, 2023 and 2022 is disclosed in Note 14.

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 carrying amount of the Group's unquoted equity investment in Aldevinco, including its key assumptions used in the valuation are disclosed in Notes 13 and 32.

Recognition of contingent assets
The Company 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 Company.

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, 2022, 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. In 2023, the Group's claim against NPC was collected (see Note 8).

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. The carrying values of trade receivables and contract assets as of December 31, 2023 and 2022 are disclosed in 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, 2023 and 2022. 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 as of December 31, 2023 and 2022 are disclosed in 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 as at December 31, 2023 and 2022 are disclosed in Note 9 while the carrying values of real estate inventories as at December 31, 2023 and 2022 are disclosed in 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) as at December 31, 2023 and 2022 are disclosed in Notes 10 and 12.

Impairment of nonfinancial assets (except goodwill)
An impairment review is performed on the Group's nonfinancial assets such as property, plant and equipment (including advances to contractors), investments in real estate and investments in associates, when certain impairment indicators are present. These factors include, among others:

- 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, 2023 and 2022, the Group's nonfinancial assets are not impaired. The carrying values of these nonfinancial assets are disclosed in Note 10, 11 and 12.

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 carrying values of the total net retirement assets of the Group and total net retirement liabilities of the Group as at December 31, 2023 and 2022 are disclosed in 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. Assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the power plant complexes from the sites and the expected timing of these costs. 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 carrying amounts of decommissioning liabilities as at December 31, 2023 and 2022 are disclosed in 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.

The carrying amounts of deferred income tax assets are disclosed in Note 29. Also, the Group has deferred income tax assets relating to unrecognized NOLCO, excess MCIT and deductible temporary differences as at December 31, 2023 and 2022 as disclosed in Note 29.
The deferred income tax liability on cumulative translation adjustments 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.

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

Segment Information
For management purposes, the Group organized its business activities in two main business segments: (1) Power and Energy segment, which consists of development and investment in energy projects, mainly coal, diesel and renewable projects; and (2) Property Development segment, which consists of investments in real estate developments. The Group's other activities consisting mainly of investment holding activities are shown in aggregate as "Other investments".

The Parent Company's BOD is the Group's CODM and monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Inter-segment revenues are eliminated upon consolidated and reflected in the "Adjustments and eliminations" column. All other adjustments and eliminations are part of detailed reconciliations presented further in the tables below.

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

	2023					
	Power And Energy	**Property Development**	**Other Investments**	**Total**	**Adjustments And Eliminations**	**Consolidated**
			(Amounts in Thousands)			
Earnings Information						
Revenues						
External customer	**₱12,529,121**	**₱5,103**	**₱–**	**₱12,534,224**	**(₱111,477)**	**₱12,422,747**
Inter-segment	**–**	**4,092**	**995,254**	**999,346**	**(999,346)**	**–**
Total revenues	**12,529,121**	**9,195**	**995,254**	**13,533,570**	**(1,110,823)**	**12,422,747**
Interest income	**53,446**	**4,181**	**29,675**	**87,302**	**–**	**87,302**
Finance charges	**1,248,877**	**–**	**406,256**	**1,655,133**	**–**	**1,655,133**
Provision for income tax	**291,264**	**33**	**(186)**	**291,111**	**(9,590)**	**281,521**
Segment profit (loss)	**2,682,409**	**67,443**	**505,369**	**3,255,221**	**(970,155)**	**2,285,066**
Other Information						
Investments in associates and due from related parties	**₱114,465**	**₱1,082,342**	**₱9,181,060**	**₱10,377,867**	**(₱4,705,631)**	**₱5,672,236**
Segment assets	**37,775,562**	**2,538,871**	**19,219,351**	**59,533,784**	**(11,583,902)**	**47,949,882**
Segment liabilities	**21,001,961**	**373,300**	**11,319,957**	**32,695,218**	**(4,378,299)**	**28,316,919**
Depreciation and amortization	**1,309,138**	**1,336**	**1,285**	**1,311,759**	**44,538**	**1,356,297**
Income from finance leases	**–**	**88,352**	**–**	**88,352**	**–**	**88,352**
Income from operating leases	**–**	**12,221**	**–**	**12,221**	**–**	**12,221**
Equity in net earnings of associates	**–**	**–**	**22,393**	**22,393**	**–**	**22,393**
Capital expenditures	**2,015,357**	**–**	**–**	**2,015,357**	**–**	**2,015,357**
Cash Flow Information						
Net cash flows from (used in):						
Operating activities	**5,911,395**	**(48,247)**	**(104,651)**	**5,758,497**	**611,802**	**6,370,299**
Investing activities	**(1,051,530)**	**107,908**	**(175,729)**	**(1,119,351)**	**(1,177,818)**	**(2,297,169)**
Financing activities	**(5,139,659)**	**–**	**204,137**	**(4,935,522)**	**491,801**	**(4,443,721)**

	2022					
	Power And Energy	Property Development	Other Investments	Total	Adjustments And Eliminations	Consolidated
			(Amounts in Thousands)			
Earnings Information						
Revenues						
External customer	₱12,168,157	₱25,118	₱–	₱12,193,275	(₱204,043)	₱11,989,232
Inter-segment	–	4,092	499,034	503,126	(503,126)	–
Total revenues	12,168,157	29,210	499,034	12,696,401	(707,169)	11,989,232
Interest income	16,544	1,013	7,225	24,782	–	24,782
Finance charges	1,291,070	–	359,332	1,650,402	–	1,650,402
Provision for income tax	341,194	21,198	1,355	363,747	(18,593)	345,154
Segment profit (loss)	1,879,488	390,468	153,344	2,423,300	(548,156)	1,875,144
Other Information						
Investments in associates and due from related parties	192,184	939,821	8,049,896	9,181,901	(3,686,092)	5,387,641
Segment assets	37,618,717	2,432,755	18,056,469	58,107,941	(10,311,453)	47,796,488
Segment liabilities	21,239,717	334,627	10,529,919	32,104,263	(3,217,026)	28,887,237
Depreciation and amortization	1,396,046	530	1,844	1,398,420	44,538	1,442,958
Income from finance leases	–	417,129	–	417,129	–	417,129
Income from operating leases	–	10,283	–	10,283	–	10,283
Impairment of goodwill	(165,000)	–	–	(165,000)	–	(165,000)
Equity in net earnings of associates	–	–	54,720	54,720	–	54,720
Capital expenditures	(1,397,820)	–	–	(1,397,820)	–	(1,397,820)
Cash Flow Information						
Net cash flows from (used in):						
Operating activities	4,482,606	(48,247)	(1,279,684)	3,154,675	1,274,752	4,429,427
Investing activities	(681,579)	107,908	915,032	341,361	(2,314,645)	(1,973,284)
Financing activities	(3,717,085)	–	372,064	(3,345,021)	817,471	(2,527,550)

	2021					
	Power And Energy	Property Development	Other Investments	Total	Adjustments and Eliminations	Consolidated
			(Amounts in Thousands)			
Earnings Information						
Revenues						
External customer	₱10,092,494	₱3,137	₱–	₱10,095,631	(₱48,777)	₱10,046,854
Inter-segment	–	193	628,212	628,405	(628,405)	–
Total revenues	10,092,494	3,330	628,212	10,724,036	(677,182)	10,046,854
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)
Segment profit (loss)	1,640,283	(6,967)	215,933	1,849,249	(528,566)	1,320,683
Other Information						
Investments in associates and due from related parties	468,879	1,051,266	7,396,492	8,916,637	(4,190,048)	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 and amortization	1,474,961	496	2,038	1,477,495	44,538	1,522,033
Income from operating leases	–	7,657	–	7,657	–	7,657
Equity in net earnings of associates	–	–	72,358	72,358	–	72,358
Capital expenditures	(493,496)	–	–	(493,496)	–	(493,496)
Cash Flow Information						
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)

The following illustrate the reconciliations of reportable segment profit (loss) to the Group's corresponding amounts shown in the consolidated financial statements:

	2023	2022	2021
		(Amounts in Thousands)	
Segment profit	**₱3,255,221**	₱2,423,300	₱1,849,249
Adjustments and eliminations	**(970,155)**	(548,156)	(528,566)
Consolidated profit or loss	**₱2,285,066**	₱1,875,144	₱1,320,683

The following illustrate the reconciliations of reportable segment assets and liabilities to the Group's corresponding amounts shown in the consolidated financial statements:

	2023	2022	2021
		(Amounts in Thousands)	
Assets			
Total assets for reportable segments	**₱49,155,918**	₱48,926,040	₱49,268,178
Investments in shares of stock of subsidiaries and associates and due from related parties	**10,377,866**	9,181,901	8,916,637
Eliminations	**(11,583,902)**	(10,311,453)	(10,428,357)
Consolidated assets	**₱47,949,882**	₱47,796,488	₱47,756,458
Liabilities			
Total liabilities for reportable segments	**₱6,410,581**	₱5,706,871	₱7,772,700
Long-term debts	**18,183,019**	20,055,016	20,587,209
Due to related parties	**3,577,456**	2,420,603	1,843,414
Loans payable	**3,775,297**	3,194,099	1,570,535
Deferred income tax liabilities - net	**326,662**	346,148	503,584
Income tax payable	**94,108**	69,658	60,228
Interest payable	**328,095**	311,868	274,995
Eliminations	**(4,378,299)**	(3,217,025)	(2,808,319)
Consolidated liabilities	**₱28,316,919**	₱28,887,238	₱29,804,346

The Group operates and derives principally all of its revenues from domestic operations. Thus, geographical business information relating to revenue from external customers and non-current assets are not presented.

Revenue from two major customers amounted to ₱3,664 million in 2023, ₱3,730 million in 2022 and ₱2,990 million in 2021 for the first major customer and ₱1,006 in 2023, ₱1,203 million in 2022, and ₱1,277 million in 2021 for the second major customer, respectively, arising both from "Power and Energy segment".

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

	2023	2022
Cash on hand	**₱936,556**	₱535,739
Cash in banks	**2,036,953,261**	2,319,040,951
Cash equivalents	**391,237,898**	476,704,057
	₱2,429,127,715	₱2,796,280,747

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents representing money market placements 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 ₱123 million and ₱124 million as at December 31, 2023 and 2022, 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 2023 and 2022. Interest income from cash and cash equivalents and short-term cash investments amounted to ₱69 million, ₱20 million and ₱11 million in 2023, 2022 and 2021, respectively.

8. Trade and Other Receivables

	2023	2022
Trade:		
Power	**₱1,820,800,569**	₱2,715,503,375
Real estate	**30,350,888**	90,889,133
Product distribution and others	**56,583,404**	31,730,458
Contract assets (Note 33)	**1,684,163,954**	1,773,555,974
Retention receivable	**14,655,481**	14,655,481
Due from related parties and others (Note 20)	**3,662,011,402**	3,190,005,549
	7,268,565,698	7,816,339,970
Less noncurrent portion of:		
Trade receivables	**(3,323,416)**	(3,323,416)
Contract assets	**(1,594,771,934)**	(1,684,163,954)
	(1,598,095,350)	(1,687,487,370)
	5,670,470,348	6,128,852,600
Allowance for expected credit loss	**(98,313,960)**	(142,384,521)
	₱5,572,156,388	₱5,986,468,079

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

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 (₱322 million) and ₱69 million as at December 31, 2022.

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 February 11, 2022, the COA issued its decision granting SPPC's Petition for Money Claim as against the NPC. In addition, the parties to submit a memorandum or comment on whether or not the obligation of NPC under the Energy Conversion Agreement is among the obligations assumed by PSALM, which remains pending as of to date.

As at December 31, 2022, SPPC has not yet recognized the claim from NPC since management believes that the claim is not yet virtually certain as it requires further resolution, including the appropriation of funds to settle the amount of the claim. On November 29, 2023, SPPC collected the full amount of claim amounting to ₱408.33 million, resulting to a recognized income of ₱277.92 million (see Note 27).

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 ₱55 million and ₱63 million as at December 31, 2023 and 2022, 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 ₱3 million as at December 31, 2023 and 2022, respectively.

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

Product Distribution and Others
These pertain to receivables from the supply of goods and merchandise to customers. Product distribution and other receivables are noninterest-bearing and generally have a term of less than one year. Outstanding receivables amounting to ₱32 million were fully provided with allowance for expected credit losses as at December 31, 2023 and 2022.

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

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, 2021	₱54,963,744	₱13,163,091	₱31,730,458	₱5,074,645	₱104,931,938
Provisions (Note 23)	37,452,583	–	–	–	37,452,583
Balances as at December 31, 2022	92,416,327	13,163,091	31,730,458	5,074,645	142,384,521
Provisions (Note 23)	13,430,668	–	–	–	13,430,668
Reversals of provisions (Note 23)	(57,501,229)	–	–	–	(57,501,229)
Balances as at December 31, 2023	**₱48,345,766**	**₱13,163,091**	**₱31,730,458**	**₱5,074,645**	**₱98,313,960**

9. Inventories - at Cost

	2023	2022
Coal	**₱442,732,888**	₱477,814,305
Spare parts	**319,936,381**	440,570,159
Fuel	**193,215,488**	75,196,075
Oil, lubricants and chemicals	**22,009,458**	27,909,004
Operating supplies, consumables and others	**16,753,728**	15,652,110
	₱994,647,943	₱1,037,141,653

Cost of inventories used amounted to ₱5,631 million in 2023, ₱5,389 million in 2022 and ₱3,882 million in 2021 (see Note 22).

10. Real Estate Inventories and Investments in Real Estate

Real Estate Inventories - at cost

	2023	2022
Eagle Ridge Project (General Trias, Cavite) (Note 33)	**₱605,342,754**	₱607,656,947
Campo Verde Project (Lipa and Malvar, Batangas) (Note 33)	**15,183,519**	15,183,519
	₱620,526,273	₱622,840,466

The movements in real estate inventories held for sale are as follows:

As at December 31, 2023:

	Eagle Ridge Project	**Campo Verde Project**	**Total**
Balances at beginning of year	**₱607,656,947**	**₱15,183,519**	**₱622,840,466**
Cost of real estate sales	**(2,314,193)**	–	**(2,314,193)**
Balances at end of year	**₱605,342,754**	**₱15,183,519**	**₱620,526,273**

As at December 31, 2022:

	Eagle Ridge Project	Campo Verde Project	Total
Balances at beginning of year	₱616,887,120	₱15,183,519	₱632,070,639
Cost of real estate sales	(9,230,173)	–	(9,230,173)
Balances at end of year	₱607,656,947	₱15,183,519	₱622,840,466

Investments in Real Estate

	2023	2022
KAED Property (Maasim, Sarangani)	**₱43,818,523**	₱214,189,968
ALC Property (Pasong Tamo, Makati)	**142,224,250**	139,251,985
Batangas Project (Lipa and Malvar, Batangas)	**52,787,031**	52,787,031
Laguna Project (Cabuyao, Laguna)	**4,685,937**	4,685,937
	₱243,515,741	₱410,914,921

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

	December 31, 2023		
	Land	**Building and Improvements**	**Total**
Cost			
Balances at beginning of year	**₱396,662,941**	**₱38,978,978**	**₱435,641,919**
Additions	**18,409**	**3,387,424**	**3,405,833**
Derecognition (Note 30)	**(170,389,859)**	**–**	**(170,389,859)**
Balances at end of year	**226,291,491**	**42,366,402**	**268,657,893**
Accumulated Depreciation			
Balances at beginning of year	**–**	**24,726,998**	**24,726,998**
Depreciation (Note 25)	**–**	**415,154**	**415,154**
Balances at end of year	**–**	**25,142,152**	**25,142,152**
Net Book Value	**₱226,291,491**	**₱17,224,250**	**₱243,515,741**

	December 31, 2022		
	Land	Building and Improvements	Total
Cost			
Balances at beginning of year	₱504,649,547	₱33,851,968	₱538,501,515
Additions	–	5,127,010	5,127,010
Derecognition (Note 30)	(107,986,606)	–	(107,986,606)
Balances at end of year	396,662,941	38,978,978	435,641,919
Accumulated Depreciation			
Balances at beginning of year	–	24,629,245	24,629,245
Depreciation (Note 25)	–	97,753	97,753
Balances at end of year	–	24,726,998	24,726,998
Net Book Value	₱396,662,941	₱14,251,980	₱410,914,921

Fair Value

The fair values of investments in real estate amounting to ₱1,295 million and ₱1,477 million as of December 31, 2023 and 2022, 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	**2023: ₱1,264** 2022: ₱1,446	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.	**2023: ₱1,322 - ₱200,000 per square meter** 2022: ₱1,137 - ₱200,000 per square meter
Buildings	**2023: ₱31** 2022: ₱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	**2022: ₱6,305 per square meter** 2022: ₱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 Group has determined that the highest and best use of these properties is its current use.

Rental income on investment properties relating to operating leases amounted to ₱12 million in 2023, ₱10 million in 2022 and ₱8 million in 2021. Direct operating expenses consisting of taxes and licenses, utilities and maintenance arising from investments in real estate that generated rental income amounted to ₱3 million in 2023, ₱3 million in 2022, and ₱3 million in 2021. Direct operating expenses consisting mostly of taxes and licenses arising from investments in real estate that did not generate rental income amounted to ₱1 million in 2023, 2022 and 2021. Additions to investments in real estate are intended for capital appreciation.

11. Investments in Associates

	Percentage of Ownership			
	2023	2022	**2023**	2022
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			**126,180,972**	96,360,719
Share in net earnings for the year			**22,392,892**	54,720,253
Dividends declared for the year			**(24,900,000)**	(24,900,000)
Balances at end of year			**123,673,864**	126,180,972
Accumulated impairment loss at beginning and end of the year			**(147,045,000)**	(147,045,000)
			₱2,303,296,078	₱2,305,803,186

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%.

Summarized Financial Information
Shown in the table below are the financial information of the following material associates as at December 31 and the reconciliation with the carrying amount of the investments in the consolidated financial statements.

	IRPI			Aviana		
	2023	2022	2021	**2023**	2022	2021
Current assets	**₱4,607,991**	₱3,592,002	₱3,228,244	**₱2,082,803**	₱2,639,921	₱3,026,422
Noncurrent assets	**18,836,087**	18,836,087	18,836,087	**1,497,549**	2,133,382	2,087,367
Current liabilities	**(241,625)**	(241,569)	(241,625)	**(1,088,583)**	(2,145,432)	(2,500,446)
Noncurrent liabilities	**(437,146)**	(402,402)	(395,567)	**(201,875)**	(337,256)	(410,413)
Equity	**22,765,307**	21,784,118	21,427,139	**2,289,894**	2,290,615	2,202,930
Equity interests of the Parent Company	**2%**	2%	2%	**34%**	34%	34%
Share in net assets of the acquiree	**455,307**	435,682	428,543	**778,595**	778,809	748,996
Goodwill, translation adjustments and others	**759,906**	780,035	787,767	**309,488**	311,277	310,677
Carrying value of investments	**₱1,215,213**	₱1,215,717	₱1,216,310	**₱1,088,083**	₱1,090,086	₱1,059,673
Revenue and other income	**₱10,029**	₱1,476	₱2,681	**₱604,923**	₱1,009,659	₱ 1,716,887
Net income (loss)	**(25,222)**	(29,642)	1,482	**67,345**	162,686	212,817
Total comprehensive income (loss)	**(25,222)**	(29,642)	1,482	**67,345**	162,686	212,817
Share in net earnings (losses)	**(504)**	(592)	–	**22,897**	55,312	72,358
Dividends received	**–**	–	–	**24,900**	24,900	24,900

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.

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.

12. Property, Plant and Equipment

As at December 31, 2023:

	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 Assets - (Note 30)	Total
Cost								
Balances at beginning of year	₱376,082,019	₱201,443,754	₱30,958,308,350	₱7,272,721,275	₱1,592,231,338	₱3,516,352,684	₱82,614,994	₱43,999,754,414
Additions	–	33,214,865	611,345,354	338,221	50,702,170	1,374,169,874	4,942,497	2,074,712,981
Disposals	–	–	(18,426,178)	(12,161,163)	(12,363,068)	–	(660,665)	(43,611,074)
Capitalized depreciation	–	–	–	–	–	737,919	–	737,919
Adjustment to decommissioning liability (Note 19)	–	–	57,121,675	(3,350,403)	–	–	–	53,771,274
Balances at end of year	376,082,019	234,658,619	31,608,349,201	7,257,547,930	1,630,570,440	4,891,260,477	86,896,826	46,085,365,512
Accumulated Depreciation								
Balances at beginning of year	–	190,201,199	10,837,672,789	4,251,889,886	932,985,514	–	45,090,916	16,257,840,304
Depreciation for the year (Note 25)								
Expensed	–	688,285	1,108,388,644	169,042,296	63,994,461	–	10,551,304	1,352,664,990
Capitalized	–	–	–	–	–	–	737,919	737,919
Disposals	–	–	(18,426,178)	(12,161,163)	(11,869,754)	–	(660,665)	(43,117,760)
Balances at end of year	–	190,889,484	11,927,635,255	4,408,771,019	985,110,221	–	55,719,474	17,568,125,453
Net Book Value	₱376,082,019	₱43,769,135	₱19,680,713,946	₱2,848,776,911	₱645,460,219	₱4,891,260,477	₱31,177,352	₱28,517,240,059

As at December 31, 2022:

	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 Assets (Note 30)	Total
Cost								
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	–	1,864,569	92,198,158	5,767,088	148,144,834	836,692,834	53,092,474	1,137,759,957
Disposals	(100,000)	–	–	(395,553)	(17,324,220)	–	(19,430,584)	(37,250,357)
Capitalized depreciation	–	–	–	–	–	6,359,852	–	6,359,852
Adjustment to decommissioning liability (Note 19)	–	–	(45,863,679)	(3,387,062)	–	–	–	(49,250,741)
Balances at end of year	376,082,019	201,443,754	30,958,308,350	7,272,721,275	1,592,231,338	3,516,352,684	82,614,994	43,999,754,414
Accumulated Depreciation								
Balances at beginning of year	–	189,576,063	9,666,911,807	4,074,944,767	868,909,590	–	46,956,409	14,847,298,636
Depreciation for the year (Note 25)								
Expensed	–	625,136	1,170,760,982	176,945,119	79,875,745	–	11,205,239	1,439,412,221
Capitalized	–	–	–	–	–	–	6,359,852	6,359,852
Disposals	–	–	–	–	(15,799,821)	–	(19,430,584)	(35,230,405)
Balances at end of year	–	190,201,199	10,837,672,789	4,251,889,886	932,985,514	–	45,090,916	16,257,840,304
Net Book Value	₱376,082,019	₱11,242,555	₱20,120,635,561	₱3,020,831,389	₱659,245,824	₱3,516,352,684	₱37,524,078	₱27,741,914,110

As at December 31, 2023 and 2022, the cost of fully depreciated property, plant and equipment that are still in use amounted to ₱2,160.25 million and ₱1,924 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, 2023 and 2022 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 ₱265 million. The project is expected to be completed in the third quarter of 2024.

Capitalized Borrowing Costs
Capitalized borrowing costs relating to plant structure amounted to ₱379 million in 2023, ₱167 million in 2022 and ₱139 million in 2021 for specific borrowings (see Note 18).

The rates used to determine the amount of borrowing costs eligible for capitalization are 8.21% to 8.78% in 2023 and 8.09% to 8.66% in 2022, which are the effective interest rates of the specific borrowings.

13. Equity Investments Designated at FVOCI

As of December 31, this account consists of:

	2023	2022
Quoted		
Balance at beginning of year	**₱133,170,975**	₱139,627,658
Fair value loss during the year	**(2,103,838)**	(6,456,683)
Balance at end of year	**131,067,137**	133,170,975
Unquoted		
Balance at beginning and end of year	**2,222,168,768**	2,222,168,768
	₱2,353,235,905	₱2,355,339,743

The investment in unquoted securities consists of investment in 22 million preferred shares of Aldevinco amounting to ₱2,200 million as of December 31, 2023 and 2022. 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:

	2023	2022
Balance at beginning of year	**₱36,829,523**	₱30,372,840
Fair value loss	**2,103,838**	6,456,683
Balance at end of year	**₱38,933,361**	₱36,829,523

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, 2023 and 2022, the carrying amount of goodwill attributable to WMPC amounted to ₱527 million, while the goodwill attributable to SPPC amounted to nil.

The Group recognized impairment loss amounting to ₱165 million in 2022 due to the decline in the recoverable amounts allocated to the CGU as there were reductions in dispatchable reserves forecast and increase in discount rates (see Note 23). No impairment loss was recognized in 2023 and 2021.

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. The contracted and dispatchable capacities used in the value-in-use computation are shown below.

	2023		2022	
	Contracted Capacity	**Dispatchable Capacity**	Contracted Capacity	Dispatchable Capacity
WMPC	**1MW**	**30 MW**	51MW	39MW-45MW

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 rate is 17.49% in 2023 and 21.94% in 2022, respectively.

Sensitivity to Changes in Assumptions
Management believes that the value-in-use is most sensitive to WMPC's non-renewal of ASPA contract after its expiration since this would result in further impairment (see Note 33).

15. Prepaid Expenses and Other Current Assets

	2023	2022
Debt reserve accounts (Note 18)	**₱499,806,101**	₱403,844,969
Prepayments and deposits	**206,444,736**	204,510,760
Input VAT	**109,783,742**	23,563,150
Creditable withholding taxes	**34,411,779**	65,268,847
	₱850,446,358	₱697,187,726

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 ₱18 million, ₱5 million and ₱5 million in 2023, 2022 and 2021, respectively.

16. Accounts Payable and Other Current Liabilities

	2023	2022
Accounts payable	**₱1,356,493,878**	₱1,009,141,245
Accrued expenses (Note 28)	**742,902,844**	528,466,985
Interest payable (Note 17 and 18)	**328,094,847**	311,868,413
Output tax and withholding tax payable	**247,675,077**	278,791,415
Nontrade payables	**146,762,557**	74,489,665
Current portion of lease liabilities (Note 30)	**10,811,592**	10,070,821
Dividends payable (Notes 21 and 35)	**6,056,172**	180,038,321
Other current liabilities	**46,679,667**	187,800,719
	₱2,885,476,634	₱2,580,667,584

Accounts payable are noninterest-bearing and are normally on a 60 to 75 days term.

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

Nontrade payables pertains to retention payables to contractors which will be paid upon completion of documentary requirements, advances from customers and deposits from third parties.

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.

17. Loans Payable and Short-term Notes Payable

Loans Payable

Parent Company

In 2023 and 2022, the Parent Company availed of unsecured short-term loans from local banks totalling ₱4,360 million and ₱2,794 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, 2023 and 2022, outstanding short-term loans amounted to ₱3,725 million and ₱2,794 million, respectively.

Sarangani
In 2022, Sarangani availed of short-term debts from local banks totalling ₱1,500 million to be used as working capital, with nominal interest rate ranging from 2.875% to 6.20%. As at December 31, 2023, outstanding short-term loans amounted to ₱400 million (nil in 2023).

MPC
In 2023, MPC availed of short-term debt from a local bank amounting to ₱50.00 million which remains outstanding as of December 31, 2023.

Interest expense from short-term loans amounted to ₱211 million in 2023, ₱76 million in 2022 and ₱65 million in 2021 (see Note 26). Interest payable amounted to ₱30 million and ₱20 million as of December 31, 2023 and 2022, respectively (see Note 16).

Short-term Notes Payable
Parent Company
In 2023, the Parent Company has listed a total of ₱2,529 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱2,366 million.

In 2022, the Parent Company has listed a total of ₱1,885 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,796 million.

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 ₱1,896 million and ₱1,577 million as at December 31, 2023 and 2022, respectively.

Interest expense from short-term notes payable amounted to ₱298 million in 2023, ₱106 million in 2023 and ₱48 million in 2022 (see Note 26).

18. Long-term Debts

This account consists of Philippine peso-denominated obligations as follows:

	2023	2022
Parent Company		
Peso-denominated fixed rate corporate note	**₱4,693,500,000**	₱5,162,850,000
Peso-denominated fixed rate corporate note	**761,450,000**	777,150,000
Sarangani		
Peso-denominated floating rate debt	**3,536,348,000**	4,561,496,000
Peso-denominated floating rate debt	**7,705,950,000**	8,628,900,000
Siguil		
Peso-denominated floating rate debt	**1,700,000,000**	1,200,000,000
	18,397,248,000	20,330,396,000
Less unamortized transaction costs	**(214,228,757)**	(275,380,020)
	18,183,019,243	20,055,015,980
Less current portion	**(2,759,523,797)**	(2,367,618,137)
Noncurrent portion	**₱15,423,495,446**	₱17,687,397,843

Movement in the unamortized transaction costs are as follows:

	2023	2022
Balances at beginning of year	**₱256,214,336**	₱328,596,511
Additions	**28,397,591**	19,563,313
Amortization (Note 26)	**(70,383,170)**	(72,779,804)
Balances at end of year	**₱214,228,757**	₱275,380,020

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% and are payable semi-annually based on graduated rates of 0.5% of the principal in the first year, 22.5% in the 2nd to 6th year and 77% of the principal in the year of maturity, which is on the 7th year. 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 in 2020.

ACR shall maintain certain financial ratios such as debt-to-equity ratio of not more than 3.0 on the first and 2nd year, 2.75 on the 3rd year, 2.5 on the 4th year and 2.33 on the 5th 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, 2023, 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, 2023 and 2022, the remaining balance of debt reserve account amounted to ₱500 million and ₱404 million, respectively (see Note 15). Interest income earned from debt reserve account amounted to ₱17.7 million, ₱5 million and ₱5 million in 2023, 2022 and 2021, 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.

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

	2023	2022
Long term debts	**₱5,454,950,000**	₱5,940,000,000
Less unamortized debt issue costs	**(36,427,970)**	(55,992,604)
	5,418,522,030	5,884,007,396
Less current portion of long-term debt	**(701,500,000)**	(465,485,366)
Balances at end of year	**₱4,717,022,030**	₱5,418,522,030

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

	2023	2022
Balances at beginning of year	**₱55,992,604**	₱75,156,202
Amortization of transaction costs (Note 26)	**(19,564,634)**	(19,163,598)
Balances at end of year	**₱36,427,970**	₱55,992,604

Interest expense recognized amounted to ₱312 million in 2023, ₱162 million in 2022 and ₱210 million in 2021 (see Note 26). Interest payable amounted to ₱22 million and ₱24 million as at December 31, 2023 and 2022, respectively (see Note 16).

Sarangani
The loans of Sarangani consist of the following:

a. *Phase 1 of SM 200 project*

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

Under the Omnibus Loan and Security Agreement, Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes nine parcels of land registered in the name of Sarangani. The nine parcels of land have an aggregate area of 297,000 square meters and comprise the plant site of the Project amounted to ₱84.70 million (see Note 12). Further, chattel mortgage shall consist of machinery, office and transportation equipment with a cost of ₱736 million as at December 31, 2023 and 2022 (see Note 12).

Sarangani is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as change of business or scope of Phase 1, change of ownership or management, dividend declarations, issuance of shares, amendment of articles of incorporation and by-laws and quasi-reorganization, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others. As at December 31, 2023 and 2022, Sarangani is in compliance with the loan covenants.

Sarangani 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, 2023 and 2022, Sarangani was able to meet the required financial ratios (see Note 31).

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

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

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

As at December 31, 2023:

	Series I	**Series II**	**Total**
Long-term debts	**₱3,304,158,000**	**₱232,190,000**	**₱3,536,348,000**
Less unamortized debt issue costs	**(18,829,141)**	**(2,911,504)**	**(21,740,645)**
	3,285,328,859	**229,278,496**	**3,514,607,355**
Less current portion of long-term debt - net of unamortized transaction costs	**(1,025,179,237)**	**(71,662,164)**	**(1,096,841,401)**
	₱2,260,149,622	**₱157,616,332**	**₱2,417,765,954**

As at December 31, 2022:

	Series I	Series II	Total
Long-term debts	₱4,261,686,000	₱299,810,000	₱4,561,496,000
Less unamortized debt issue costs	(33,487,202)	(2,752,287)	(36,239,489)
	4,228,198,798	297,057,713	4,525,256,511
Less current portion of long-term debt - net of unamortized transaction costs	(944,039,363)	(66,609,793)	(1,010,649,156)
	₱3,284,159,435	₱230,447,920	₱3,514,607,355

Interest incurred and amortized debt issue cost are as follows:

	2023	2022	2021
Interest expense (Note 26)	**₱382,206,379**	₱473,404,758	₱537,071,612
Amortization of debt issue costs (Note 26)	**14,498,844**	17,116,497	18,144,611
	₱396,705,223	₱490,521,255	₱555,216,223

Interest payable as at December 31, 2023 and 2022 amounted to ₱65 million and ₱83 million, respectively (see Note 16).

b. *Phase 2 of SM200 project*

On April 4, 2017, Sarangani obtained a financing facility consisting of a syndicated term loan in the aggregate principal amount of ₱10,500.00 million broken down as follows: (1) Series I 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 loans are payable based on graduated rates of the total principal over a ten-year period. Sarangani should pay interest semi-annually at the rate equal to the higher of (a) PDST-R2 benchmark bid yield for five-year treasury securities plus applicable spread equal to 2.75% per annum divided by 0.99 for the first three-and-a-half years, thereafter, to be adjusted to 2.25% per annum divided by 0.99, or (b) 6% floor rate, for the first five (5)-year period commencing from the date of initial borrowing; and thereafter, the higher of (a) interest rate applicable on the initial borrowing, or (b) PDST-R2 benchmark bid yield for five-year treasury securities plus applicable spread on banking day prior to the first day of the 11th interest period.

Under the OLSA, Sarangani shall create and constitute in favor of the collateral trustee real estate mortgage, which includes 14 parcels of land registered in the name of Sarangani with an aggregate area of 515,314 square meters and comprise the plant site of the Phase 2 and the common and administration facilities of Sarangani amounted to ₱147 million (see Note 12). Further, chattel mortgage shall consist of machinery and transportation equipment with a cost of ₱315 million as at December 31, 2023 and 2022 (see Note 12).

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

Sarangani is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as change of business or scope of Phase 2, change of ownership or management, dividend declarations, issuance of shares, amendment of articles of incorporation and by-laws and quasi-reorganization, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others, among others. As at December 31, 2022 and 2021, Sarangani is in compliance with the loan covenants.

Sarangani 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, 2023 and 2022, Sarangani was able to meet the required financial ratios (see Note 31).

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

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

As at December 31, 2023:

	Series I	**Series II**	**Total**
Long-term debts	**₱6,238,150,000**	**₱1,467,800,000**	**₱7,705,950,000**
Less unamortized debt issue costs	**(113,624,557)**	**(17,057,740)**	**(130,682,297)**
	6,124,525,443	**1,450,742,260**	**7,575,267,703**
Less current portion of long-term debt - net of unamortized transaction costs	**(776,283,411)**	**(184,898,985)**	**(961,182,396)**
	₱5,348,242,032	**₱1,265,843,275**	**₱6,614,085,307**

As at December 31, 2022:

	Series I	Series II	Total
Long-term debts	₱6,985,300,000	₱1,643,600,000	₱8,628,900,000
Less unamortized debt issue costs	(141,900,470)	(22,081,773)	(163,982,243)
	6,843,399,530	1,621,518,227	8,464,917,757
Less current portion of long-term debt - net of unamortized transaction costs	(718,259,868)	(171,390,187)	(889,650,055)
	₱6,125,139,662	₱1,450,128,040	₱7,575,267,702

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

	2023	2022	2021
Interest expense (Note 26)	**₱785,465,495**	₱737,069,364	₱781,658,813
Amortization of debt issue costs (Note 26)	**33,299,946**	36,102,080	34,978,903
	₱818,765,441	₱773,171,444	₱816,637,716

Interest payable as at December 31, 2023 and 2022 amounted to ₱148 million and ₱166 million, respectively (see Note 16).

Siguil

On June 8, 2022, Siguil entered into an Omnibus Loan and Security Agreement (OLSA) with a local bank in the aggregate principal amount of ₱3,300 million broken down as follows: (1) first tranche in the principal amount of up to ₱1,700 million for the construction of the 15 MW run-of-river hydro power plant project in Maasim, Sarangani Province, Southern Mindanao (Project); and (2) second tranche in the principal amount of up to ₱1,600 million upon completion of the project, for the reimbursement of the amount spent on top of the required equity to bring the Project debt-equity ratio to 75:25 based on the total Project cost as validated by the Lender's Technical Advisor (LTA).

The loans are payable at 3.5% of the principal from the end of the fifth semester up to end of the 18^{th} semester, then 4% from the end of the 19^{th} semester up to the end of the 27^{th} semester, then 5% from the end of 28^{th} semester up to the end 30^{th} semester.

Siguil should pay interest semi-annually in arrears starting on the first interest payment date at the rate higher between (a) the benchmark rate plus 1.75% per annum spread determined on the date of each advance; or (b) 5.75% per annum, subject to adjustment by the lender at such rate as it may determine at the end of the fifth (5th) and tenth (10th) year after the date of initial borrowing using the same formula, with a rate not lower than the rate prior to adjustment.

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

Siguil is subject to certain negative covenants which require prior approval of the creditors for specified corporate acts, such as change in business or scope of Project, change of ownership or management, act as surety, dividend declarations or payments, incurrence of additional debt and sale or disposal of a substantial portion of their assets, among others.

Siguil shall also maintain certain financial ratios such as debt-to-equity ratio of not more than 3.0, current ratio of not less than 1.0 and debt service coverage ratio of at least 1.10. As at December 31, 2023, Siguil was able to meet the required financial ratios particularly the debt-to-equity ratio and the current ratio (see Note 16). As agreed with the lender, Siguil is not yet subject to the debt service coverage ratio since it is not yet in operations as of December 31, 2023.

The OLSA is collateralized through the (a) Share Charge and Control Agreement relating to present shares and after-acquired shares; (b) Security Agreement for Intangible Assets relating to assigned collaterals such as project receivables, project accounts, project contracts, project documents, performance guarantee, rights, titles, government permits and approvals to the extent allowed by law and each insurance policy; (c) Deed of Trust over movable assets of Siguil; (d) Assignment of Leasehold Rights and (e) Real Estate Mortgage relating to properties, with all the buildings and other pertinent improvements thereon, now existing or which hereafter exist to the extent applicable.

Details of Siguil's long-term debt related to the Project as of December 31, 2023 are as follows:

	2023	2022
Long-term debts	**₱1,700,000,000**	₱1,200,000,000
Less unamortized debt issue costs	**(25,377,845)**	(19,165,684)
	₱1,674,622,155	₱1,180,834,316

Interest expense and amortized debt issue cost recorded as capitalized borrowing costs in 2023 are as follows:

	2023	2022
Interest expense	**₱25,377,845**	₱19,165,684
Amortization of debt issue costs	**3,019,746**	397,629
	₱28,397,591	₱19,563,313

Accrued interest as at December 31, 2023 and 2022 amounted to ₱62.25 million and ₱19.57 million, respectively (see Note 16).

The loan agreement requires the Company to maintain debt service reserve account.
As of December 31, 2023 and 2022, the balance of debt service reserve account amounted to ₱141.32 million and ₱126.43 million, respectively. During the grace period or up to the obtainment of the acceptable offtake arrangements, whichever comes later, the debt service reserve requirement shall be an amount equivalent to two semi-annual amortizations for interest on the loan. After the grace period or the obtainment of the acceptable offtake arrangements, whichever comes later, the debt service reserve requirement shall be an amount equivalent to one semi-annual amortization (principal and interest) for the loan.

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:

	2023	2022
Balances at beginning of year	**₱395,092,476**	₱425,824,476
Accretion (Note 26)	**27,161,123**	18,518,741
Effects of changes in estimated future decommissioning costs and discount rate, recognized as adjustment to property, plant and equipment (Note 12)	**53,771,274**	(49,250,741)
Balances at end of year	**₱476,024,873**	₱395,092,476

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 6.06% to 6.09% and 7.18% to 7.22% at December 31, 2023 and 2022, respectively. The Group assesses the best estimate of cash flows required to settle the obligation annually every end of the year. If the estimated discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would be ₱43 million lower.

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	**2023**	**₱215,700,003**	**₱2,967,531,210**	Payable upon demand,	Unsecured,
	2022	₱550,655,342	₱2,751,831,207	noninterest-bearing	no impairment
Subsidiaries of major stockholders	**2023**	–	**145,943,340**	Payable upon demand,	Unsecured,
	2022	–	145,943,340	noninterest-bearing	no impairment
Affiliates*	**2023**	**71,402,082**	**255,465,683**	Payable upon demand,	Unsecured,
	2022	120,447,378	184,063,601	noninterest-bearing	no impairment
Total	**2023**	**₱287,102,085**	**₱3,368,940,233**		
	2022	₱671,102,720	₱3,081,838,148		

**Affiliates are entities with common stockholders or directors.*

Compensation of key management personnel are as follows:

	2023	2022	2021
Short-term employee benefits	**₱99,649,582**	₱95,774,732	₱91,899,822
Post-employment benefits	**5,640,730**	5,391,702	5,142,674
	₱105,290,312	₱101,166,434	₱97,042,496

21. **Equity**

Capital Stock

	2023		2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorized				
Common - ₱1 par value	**11,945,000,000**	**₱11,945,000,000**	11,945,000,000	₱11,945,000,000
Preferred - ₱0.01 par value	**5,500,000,000**	**55,000,000**	5,500,000,000	55,000,000
		₱12,000,000,000		₱12,000,000,000

	2023		2022	
	No. of shares	**Amount**	No. of shares	Amount
Common				
Issued and outstanding	**6,291,500,000**	**₱6,291,500,000**	6,291,500,000	₱6,291,500,000
Preferred				
Subscribed	**5,500,000,000**	**55,000,000**	5,500,000,000	55,000,000
		₱6,346,500,000		₱6,346,500,000

Capital stock is held by a total of 447 and 449 stockholders as of December 31, 2023 and 2022, respectively.

On May 24, 2011, the Philippine SEC approved the amendment of the Articles of Incorporation of ACR creating a class of preferred shares, by reclassifying 55,000,000 unissued common shares with a par value of ₱1.00 per share into 5,500,000,000 redeemable preferred voting shares with a par value of ₱0.01 per share.

The redeemable preferred shares have the following features:

a. Redeemable preferred shares may only be issued or transferred to Filipino citizens or corporations or associations at least 60% of capital of such corporations or associations is owned by Filipino citizens.

b. Holders of redeemable preferred shares are entitled to receive, out of the unrestricted retained earnings of ACR, cumulative dividends at the rate of 8% per annum of the par value of the preferred shares, before any dividends shall be paid to holders of the common shares. There were no dividend in arrears for 2023 and 2022.

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.

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, 2023 and 2022 pertain to 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 Parent Company declared the following cash dividends on its common shares:

Year	Date of Declaration	Amount	Per Share	Date of Record	Date of Payment
2023	June 19, 2023	₱125,830,000	₱0.020	July 5, 2023	July 24, 2023
2022	June 30, 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

Dividends on preferred shares amounting to ₱4.4 million in 2023 and ₱4.4 million in 2023 and ₱4.4 million in 2022 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 ₱3,406 million and ₱3,342 million as of December 31, 2023 and 2022, respectively.

Equity Reserves
The composition of the Group's equity reserves are as follows:

	2023	2022
Remeasurement gains on defined benefit plan (Note 21)	**₱6,938,865**	₱21,604,555
Unrealized losses on FVOCI (Note 13)	**(38,933,361)**	(36,829,523)
Cumulative translation adjustments	**1,719,480,143**	1,721,510,908
Other equity reserves	**854,620,762**	854,620,762
Balances at end of year	**₱2,542,106,409**	₱2,560,906,702

Cumulative translation adjustments
This pertains to translation of some subsidiaries whose functional currencies are denominated in US Dollar until 2016, except for APIL, whose functional currency is still denominated in US Dollar as of date.

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	₱454,321,769

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

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

Disposal of interest in a subsidiary without loss of control
On November 27, 2017, the Parent Company sold its 50% ownership interest less 1 share of the voting and total outstanding capital stock ownership interest in ATEC equivalent to 14,952,678 common shares to GBPC for a total consideration amounting to ₱2,378 million, inclusive of retention receivable to be received upon issuance by BIR of the Certificate Authorizing Registration. 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:

	2023	2022	2021
Net income attributable to equity holders of the parent*	**₱636,741,140**	₱612,943,193	₱400,155,589
Average number of shares outstanding for the year	**6,291,500,000**	6,291,500,000	6,291,500,000
Basic/diluted earnings per share	**₱.101**	₱0.097	₱0.064

**net of ₱4.4 million dividends on preferred shares*

22. Cost of Services

	2023	2022	2021
Coal, fuel, oil and lubricants	**₱5,631,349,996**	₱5,388,921,000	₱3,881,997,519
Depreciation and amortization (Notes 12 and 25)	**1,241,054,455**	1,378,687,223	1,454,710,825
Repairs and maintenance	**333,789,815**	250,428,415	270,280,628
Insurance expense	**287,940,950**	243,321,076	178,253,529
Personnel costs (Notes 24 and 28)	**217,456,539**	203,110,054	206,456,062
Taxes and licenses	**39,879,406**	39,529,310	32,489,456
Contracted services	**29,702,586**	33,228,626	36,654,173
Utilities	**28,972,412**	152,419,468	113,808,468
Property administration	**3,534,374**	2,903,721	3,327,902
Others	**156,370,540**	72,566,659	77,326,405
	₱7,970,051,073	₱7,765,115,552	₱6,255,304,967

23. General and Administrative Expenses

	2023	2022	2021
Personnel costs (Notes 24 and 28)	**₱303,762,138**	₱267,262,100	₱259,230,157
Depreciation and amortization (Notes 12 and 25)	**115,248,262**	64,270,885	67,321,909
Outside services	**91,775,620**	92,837,081	84,181,390
Taxes and licenses	**64,242,392**	78,496,563	112,545,702
Provision for (reversal of) expected credit loss (Note 8)	**(44,070,561)**	37,452,583	21,496,118
Utilities	**27,945,121**	30,946,834	25,226,850
Transportation and travel	**32,807,742**	25,843,526	21,848,871
Management fees	**7,133,848**	12,997,524	25,510,685
Repairs and maintenance	**4,639,702**	3,222,404	3,864,828
Entertainment, amusement and recreation	**3,510,655**	1,981,280	2,642,382
Community relations	**3,790,313**	6,415,724	3,596,217
Directors and executive fees and bonuses	**2,610,000**	8,065,000	3,300,000
Supplies	**2,383,888**	2,273,672	2,503,223
Telephone, telegraph and postage	**1,731,883**	1,239,101	1,509,536
Insurance	**1,231,008**	1,187,932	1,238,756
Representation	**764,407**	703,649	4,333,541
Impairment of goodwill (Note 14)	–	165,000,000	–
Others (Note 30)	**88,721,863**	47,751,858	37,689,154
	₱708,228,281	₱847,947,716	₱678,039,319

Others include rental expense, costs of freight and brokerage fees, professional license upgrading, reproduction, commissions and supplies of the Group which are not individually material.

24. Personnel Costs

The Group's personnel costs are as follows:

	2023	2022	2021
Cost of services (Note 22)	**₱217,456,539**	₱203,110,054	₱206,456,062
General and administrative expenses (Note 23)	**303,762,138**	267,262,100	259,230,157
	₱521,218,677	₱470,372,154	₱465,686,219
Salaries, wages and bonuses	**₱420,652,536**	₱378,159,811	₱367,821,769
Retirement benefits costs (Note 28)	**29,076,187**	25,907,084	28,027,932
Other employee benefits	**71,489,954**	66,305,259	69,836,518
	₱521,218,677	₱470,372,154	₱465,686,219

25. Depreciation and Amortization

	2023	2022	2021
Cost of services (Note 22)	**₱1,241,054,455**	₱1,378,687,223	₱1,454,710,825
General and administrative expenses (Note 23)	**115,248,262**	64,270,885	67,321,909
	₱1,356,302,717	₱1,442,958,108	₱1,522,032,734

	2023	2022	2021
Property, plant and equipment (Note 12)	**₱1,352,664,990**	₱1,439,412,221	₱1,519,083,916
Amortization of software costs	**3,222,573**	3,448,134	2,894,741
Investments in real estate (Note 10)	**415,154**	97,753	54,077
	₱1,356,302,717	₱1,442,958,108	₱1,522,032,734

26. Finance Charges

	2023	2022	2021
Interest on long-term debts, loans payable and short-term notes payable (Notes 17 and 18)	**₱1,545,366,260**	₱1,555,134,975	₱1,624,285,682
Amortization of transaction costs and debt issue costs (Note 18)	**67,363,424**	72,382,175	71,395,747
Interest on decommissioning liabilities (Note 19)	**27,161,123**	18,518,741	13,564,895
Interest expense on lease liabilities (Note 30)	**11,168,551**	3,360,786	1,235,765
Other finance charges	**4,073,367**	1,005,067	6,461,462
	₱1,655,132,725	₱1,650,401,744	₱1,716,943,551

27. Other Income (Charges) - Net

	2023	2022	2021
Collection of claim from NPC (Note 8)	**₱277,919,296**	–	–
Income from leases (Note 30)	**100,573,926**	₱427,411,687	₱7,656,913
Bank charges	**(38,526,631)**	(31,309,674)	(22,260,969)
Foreign exchange gain - net	**7,747,713**	19,553,904	14,640,298
Gain on sale of property and equipment	**1,124,277**	705,124	2,975,284
Others (Note 8)	**21,031,981**	7,898,036	(2,088,650)
	₱369,870,562	₱424,259,077	₱922,876

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

28. Employee Benefits

a. Retirement Benefits

The Parent Company, ALC, CHC, ACES, BHRC, 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, 2023.

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.

As at December 31, 2023:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Retirement Liabilities**
Balances at beginning of year	**₱128,482,036**	**₱99,131,355**	**₱29,350,681**
Retirement benefits cost recognized in profit or loss:			
Current service cost	**18,647,805**	–	**18,647,805**
Net interest	**9,092,872**	**6,983,594**	**2,109,278**
	27,740,677	**6,983,594**	**20,757,083**
Transfers to affiliates	**(746,962)**	–	**(746,962)**

(Forward)

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Retirement Liabilities**
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	**₱–**	**(₱3,306,203)**	**₱3,306,203**
Arising from changes in financial assumptions	**14,176,901**	**–**	**14,176,901**
Due to experience adjustments	**1,456,636**	**–**	**1,456,636**
	15,633,537	**(3,306,203)**	**18,939,740**
Contributions paid	**–**	**10,000,000**	**(10,000,000)**
Benefits paid	**(7,393,808)**	**(2,652,267)**	**(4,741,541)**
Balances at end of year	**₱163,715,480**	**₱110,156,479**	**₱53,559,001**

As at December 31, 2022:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Retirement Liabilities
Balances at beginning of year	₱143,599,438	₱102,642,590	₱40,956,848
Retirement benefits cost recognized in profit or loss:			
Current service cost	18,848,926	–	18,848,926
Net interest	6,410,507	4,521,708	1,888,799
	25,259,433	4,521,708	20,737,725
Transfers to affiliates	(20,233,942)	–	(20,233,942)
Remeasurements losses (gains) recognized in OCI:			
Return on plan assets (excluding amount included in net interest)	–	(5,721,439)	5,721,439
Arising from changes in financial assumptions	(29,611,505)	–	(29,611,505)
Due to experience adjustments	11,780,116	–	11,780,116
	(17,831,389)	(5,721,439)	(12,109,950)
Benefits paid	(2,311,504)	(2,311,504)	–
Balances at end of year	₱128,482,036	₱99,131,355	₱29,350,681

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:

	2023	2022
Investments in unit investment trust fund (UITF)	**1.00%**	1.00%
Investments in shares of stock	**72.36%**	72.36%
Investments in debt and other securities	**26.06%**	26.06%
Investments in government securities	**0.00%**	0.00%
Others	**0.58%**	0.58%
	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 is expected to contribute ₱53.76 million to the funds in 2024.

ACR, ALC, CHC, ACES, BHRC, Siguil and Sindangan
The following tables summarize the movements in retirement benefits liabilities:

	2023	2022
Balances at beginning of year	**₱18,082,769**	₱14,031,689
Retirement benefits cost charged in profit or loss:		
Current service cost	**926,807**	3,880,013
Interest cost	**225,169**	1,289,346
	1,151,976	5,169,359
Transfer from affiliates	**844,389**	–
Remeasurements losses (gains) recognized in OCI arising from:		
Changes in financial assumptions	**₱41,059**	(₱43,465)
Experience adjustments	**152,364**	(529,360)
	193,423	(572,825)
Benefits paid	**(2,731,220)**	(545,454)
Balances at end of year	**₱17,541,337**	₱18,082,769

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

	Net retirement assets		Retirement benefits liabilities	
	2023	2022	**2023**	2022
Funded	**₱21,287,028**	₱22,385,884	**₱74,846,029**	₱51,736,565
Unfunded	–	–	**17,541,337**	18,082,769
Total	**₱21,287,028**	₱22,385,884	**₱92,387,366**	₱69,819,334

Actuarial Assumptions

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

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

	December 31, 2023	January 1, 2023	January 1, 2022
Discount rates	**6.64%-6.83%**	5.12%-7.00%	4.85%-5.13%
Future salary increases	**5.68%**	5.00%-5.68%	5.00%

ACR, ALC, CHC, ACES, BHRC, Siguil and Sindangan:

	December 31, 2023	January 1, 2023	January 1, 2022
Discount rates	**6.52%-6.80%**	5.20%-7.20%	2.95%-5.20%
Future salary increases	**5.68%**	5.00%-5.68%	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, 2023:

	Funded		**Unfunded**	
	Increase (Decrease)	**Amount**	**Increase (Decrease)**	**Amount**
Discount rates	+0.5%	**(₱5,501,999)**	+0.5%	**(₱2,195,958)**
	-0.5%	**6,083,825**	-0.5%	**2,618,341**
Salary increase rates	+1.0%	**15,961,549**	+1.0%	**2,724,772**
	-1.0%	**(13,365,205)**	-1.0%	**(2,332,375)**

As at December 31, 2022:

	Funded		Unfunded	
	Increase (Decrease)	Amount	Increase (Decrease)	Amount
Discount rates	+0.5%	(₱4,576,088)	+0.5%	(₱2,509,074)
	-0.5%	5,067,932	-0.5%	2,956,443
Salary increase rates	+1.0%	10,516,374	+1.0%	3,420,145
	-1.0%	(8,732,581)	-1.0%	(2,939,331)

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

	2023	2022
Less than 1 year	**₱77,022,353**	₱75,168,044
More than 1 year to 5 years	**29,338,007**	65,445,519
More than 5 years to 10 years	**80,099,759**	56,383,235
More than 10 years to 15 years	**138,376,226**	180,810,156
More than 15 years to 20 years	**293,037,437**	294,599,005
More than 20 years	**1,200,782,484**	1,934,672,279

b. Compensated Absences

All regular employees of certain entities within the Group 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 ₱41 million and ₱45 million as of December 31, 2023 and 2022, respectively. Cost of compensation absences amounted to ₱22 million, ₱20 million and ₱12 million in 2023, 2022 and 2021, respectively.

29. Income Taxes

a. Provision for current income tax consists of:

	2023	2022	2021
RCIT	**₱131,276,899**	₱184,995,201	₱105,122,885
Gross income tax	**150,267,269**	141,434,756	85,768,819
MCIT	**2,083,172**	468,989	589,464
	₱283,627,340	₱326,898,946	₱191,481,168

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

	2023	2022	2021
Statutory income tax rate	**25.00%**	25.00%	25.00%
Tax effects of:			
Net unrecognized deferred tax assets	**(13.49%)**	(11.26%)	(15.61%)
Translation adjustments, income of certain subsidiaries enjoying tax holidays and others - net	**(0.54%)**	1.80%	(0.27%)
Effect of change in income tax rates	–	–	2.02%
Effective income tax rate	**10.97%**	15.54%	11.14%

CREATE Act

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

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

	2023		2022	
	Net Deferred Income Tax Assets	**Net Deferred Income Tax Liabilities**	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
Deferred Income Tax Assets				
Decommissioning liabilities	**₱–**	**₱76,737,305**	₱–	₱64,372,972
NOLCO	**–**	**9,106,993**	–	10,318,658
Unrealized intercompany transactions	**12,121,260**	**–**	10,204,007	–
Net retirement plan liabilities	**1,774,141**	**8,285,404**	910,260	4,771,077
Allowance for impairment loss	**–**	**3,290,407**	–	3,290,407
Accrued vacation and sick leaves	**2,483,661**	**2,428,668**	2,032,987	2,701,397
Actuarial loss recognized in equity	**–**	**2,662,307**	3,736,167	–
Unamortized past service cost	**1,678,604**	**409,892**	2,020,286	451,883
Lease liabilities	**–**	**1,061,363**	–	1,168,770
Impairment losses on projects costs	**–**	**597,846**	–	597,846
Difference between accounting and tax depreciation	**9,607,874**	**–**	7,220,509	–
Unrealized foreign exchange losses	**–**	**33**	–	239,135
	27,665,540	**104,580,218**	26,124,216	87,912,145
Deferred Income Tax Liabilities				
Capitalized interest	**₱–**	**(₱289,041,505)**	₱–	(₱289,203,233)
Fair value adjustment on real estate inventories	**–**	**(122,267,904)**	–	(120,655,424)
Contract assets	**–**	**(181,734,997)**	–	(194,596,444)
Difference between financial and tax depreciation	**–**	**(68,612,789)**	–	(74,801,892)
Capitalized decommissioning asset	**–**	**(27,050,291)**	–	(22,943,636)
Difference between tax and financial amortization of transaction costs	**–**	**(9,106,993)**	(2,138,767)	
Effect of change in functional currency	**–**	**(7,427,691)**	–	(9,509,351)
Retirement plan assets	**–**	**(7,916,228)**	–	(5,699,687)
Unrealized foreign exchange gains	**–**	**(3,322,796)**	–	(2,661,230)
Right-of-use assets	**–**	**(875,442)**	–	(1,040,599)
	–	**(717,356,636)**	(2,138,767)	(721,111,496)
	₱27,665,540	**(₱612,776,418)**	₱23,985,449	(₱633,199,351)

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:

	2023	2022
NOLCO	**₱2,244,503,166**	₱1,690,985,893
Cumulative translation adjustments	**112,313,794**	112,313,794
Allowance for expected credit losses	**31,730,458**	90,679,339
Excess MCIT	**4,162,602**	1,736,140
Impairment losses on property, plant and equipment	**2,100,000**	2,100,000
Others	**15,439,248**	15,275,474

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:

	2023		2022	
	NOLCO	**Excess MCIT**	NOLCO	Excess MCIT
Balances at beginning of year	**₱1,732,260,525**	**₱1,736,140**	₱2,002,989,527	₱5,638,469
Additions	**602,998,934**	**3,104,149**	440,535,653	468,989
Utilized	**(54,328,321)**	–	(24,458,322)	–
Expired	–	**(677,687)**	(686,806,333)	(4,371,318)
Balances at end of year	**₱2,280,931,138**	**₱4,162,602**	₱1,732,260,525	₱1,736,140

As of December 31, 2023, the Group has incurred NOLCO before taxable year 2020 and after 2022 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, 2022	Additions	Expiration/ Utilization	**Balance as at December 31, 2023**
2022	2025	₱440,535,653	₱–	₱–	**₱440,535,653**
2023	2026	–	602,998,934	–	**602,998,934**
		₱440,535,653	₱602,998,934	₱–	**₱1,043,534,587**

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, 2022	Additions	Expiration/ Utilization	**Balance as at December 31, 2023**
2020	2025	₱776,473,336	₱–	(₱54,328,321)	**₱722,145,015**
2021	2026	515,251,536	–	–	**515,251,536**
		₱1,291,724,872	₱–	(₱54,328,321)	**₱1,237,396,551**

The carry forward 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, 2022	Additions	Expiration/ Utilization	**Balance as at December 31, 2023**
2020	2023	₱677,687	₱–	(₱677,687)	**₱–**
2021	2024	589,464	–	–	**589,464**
2022	2025	468,989	–	–	**468,989**
2023	2026	–	3,104,149	–	**3,104,149**
		₱1,736,140	₱3,104,149	(₱677,687)	**₱4,162,602**

30. Lease Commitments

Group as a Lessee
On February 1, 2017, the Group entered into a five (5)-year lease agreement for its office space for five (5) years. In 2021, the Group also entered into several lease agreements for parcels of land to be used in the operations of the hydro power plant. The lease agreements have lease terms of three (3)-50 years. The Group 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, the Group entered into a 10-year lease agreement with a third party for the easement and pier usage for fuel deliveries.

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

	2023	2022	2021
Depreciation expense of right-of-use assets	**₱10,828,531**	₱17,565,091	₱25,098,432
Interest expense on lease liabilities	**2,567,502**	3,360,786	1,235,675
Rent expense - short-term leases (Note 23)		5,177,989	1,119,138
	₱16,229,823	₱26,103,866	₱27,453,245
Total cash outflow for leases	**₱15,478,957**	₱18,466,346	₱16,300,528

Recoverable deposits related to the lease agreement amounted to ₱5 million as of December 31, 2023 and 2022.

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

	2023	2022
Beginning balances	**₱28,106,955**	₱9,938,684
Additions	**–**	28,095,842
Interest expense on lease liabilities	**2,574,346**	3,360,786
Payments of:		
Principal portion	**(10,070,821)**	(9,927,571)
Interest	**(2,574,346)**	(3,360,786)
Ending balances	**18,036,134**	28,106,955
Less current portion (Note 16)	**(10,811,592)**	(10,070,821)
Noncurrent portion	**₱7,224,542**	₱18,036,134

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

	2023	2022
Within one year	**₱12,261,809**	₱12,639,627
More than 1 years to 2 years	**2,455,867**	12,261,809
More than 2 years to 3 years	**1,635,558**	2,455,867
More than 3 years	**5,085,301**	6,720,859

Group as a Lessor
The Group entered into operating lease contracts with various third-party lessees for the office spaces owned by the Group. The lease term is for one-year renewable annually.

On July 6, 2022, the Group entered into a long-term lease agreement with a third party for the lease of industrial lots for a period of 50 years, renewable for another 25 years. The lease is accounted for a finance lease since the Group has transferred substantially all the risks and rewards incidental to the ownership of the property to the lessee because the lessee has the option to purchase the property at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised and at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset.

Accordingly, the Group derecognized the carrying value of the investment in real estate amounting to ₱170 million and ₱108 million in 2023 and 2022, respectively (see Note 10), and recognized selling profit of ₱88 million and ₱417 million in 2023 and 2022, respectively. The net investment in lease is nil as at December 31, 2023 and 2022 since there are no payments for the right-to-use the underlying asset during the lease term that are not received at the commencement date. Thus, disclosures of maturity analysis of lease payment receivables were not provided.

Total income from the foregoing operating and finance leases amounted to ₱101 million in 2023, ₱427 million in 2022 and ₱8 million in 2021 (see Note 27).

Future minimum lease receivables under operating lease are as follows:

	2023	2022
Within one year	**₱17,443,880**	₱11,249,132

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.

	2023	2022
Cash and cash equivalents*	**₱2,428,191,159**	₱2,795,745,008
Short-term cash investments	**122,505,384**	123,724,552
Trade and other receivables		
Trade receivables		
Power	**1,772,454,803**	2,623,087,048
Real estate**	**17,187,797**	77,726,042
Contract assets	**1,684,163,954**	1,773,555,974
Retention receivables	**14,655,481**	14,655,481
Due from related parties and others***	**3,631,886,905**	3,171,073,362
Debt reserve accounts	**641,124,682**	530,274,454
	₱10,312,170,165	₱11,109,841,921

**Excludes cash on hand amounting to ₱0.9 million and ₱0.5 million as at December 31, 2023 and 2022, respectively.*
***Includes noncurrent portion of receivables amounting to ₱3 and ₱4 million as at December 31, 2023 and 2022, respectively.*
****Excludes advances for business expenses and advances to employees totaling to ₱30 million and ₱19 million as at December 31, 2023 and 2022, 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. Two customers accounted for approximately 38%, 41% and 42% of its total revenue from contracts with customers in 2023, 2022 and 2021, respectively. The Group's top five customers accounted for approximately 66% of its total revenue from contracts with customers in 2023 and 61% in 2022 and 2021.

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:

	2023					
	Current			Past Due	Credit	
	Minimal Risk	Average Risk	High Risk	(1-90 Days)	Impaired	Total
Cash and cash equivalents*	₱2,428,191,159	₱–	₱–	₱–	₱–	₱2,428,191,159
Short-term cash investments	122,505,384	–	–	–	–	122,505,384
Trade and other receivables						
Trade receivables						
Power	1,772,454,803	–	–	–	48,345,766	1,820,800,569
Real estate	17,187,797	–	–	–	13,163,091	30,350,888
Product distribution and others	–	–	–	–	31,730,458	31,730,458
Contract assets	1,684,163,954	–	–	–	–	1,684,163,954
Retention receivables	14,655,481	–	–	–	–	14,655,481
Due from related parties and others**	3,626,812,260	–	–	–	5,074,645	3,631,886,905
Debt reserve accounts	641,124,682	–	–	–	–	641,124,682
	₱10,307,095,520	₱–	₱–	₱–	₱98,313,960	₱10,405,409,480

**Excludes cash on hand amounting to ₱0.9 million as at December 31, 2023.*
***Excludes advances for business expenses and advances to employees totaling to ₱30 million as at December 31, 2023.*

	2022					
	Current			Past Due	Credit	
	Minimal Risk	Average Risk	High Risk	(1-90 Days)	Impaired	Total
Cash and cash equivalents*	₱2,795,745,008	₱–	₱–	₱–	₱–	₱2,795,745,008
Short-term cash investments	123,724,552	–	–	–	–	123,724,552
Trade and other receivables						
Trade receivables						
Power	2,623,087,048	–	–	–	92,416,327	2,715,503,375
Real estate	21,622,019	–	–	56,104,023	13,163,091	90,889,133
Product distribution and others	–		–	–	31,730,458	31,730,458
Contract assets	1,773,555,974	–	–	–	–	1,773,555,974
Retention receivables	14,655,481	–	–	–	–	14,655,481
Due from related parties and others**	3,171,073,362	–	–	–	5,074,645	3,176,148,007
Debt reserve accounts	530,274,454	–	–	–	–	530,274,454
	₱11,053,737,898	₱–	₱–	₱56,104,023	₱142,384,521	₱11,252,226,442

**Excludes cash on hand amounting to ₱0.5 million as at December 31, 2022.*
***Excludes advances for business expenses and advances to employees totaling to ₱14 million as at December 31, 2022.*

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:

	2023			
	Stage 1 (12-Month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Credit Impaired)**	**Total**
Cash and cash equivalents*	**₱2,428,191,159**	**₱–**	**₱–**	**₱2,428,191,159**
Short-term cash investments	**122,505,384**	**–**	**–**	**122,505,384**
Other receivables:				
Retention receivables	**14,655,481**	**–**	**–**	**14,655,481**
Due from related parties and others**	**3,681,789,703**	**–**	**5,074,645**	**3,686,864,348**
Debt reserve accounts	**641,124,682**	**–**	**–**	**641,124,682**
	₱6,888,266,409	**₱–**	**₱5,074,645**	**₱6,893,341,054**

**Excludes cash on hand amounting to ₱0.9 million as at December 31, 2023.*
***Excludes advances for business expenses and advances to employees totaling to ₱30 million as at December 31, 2023.*

	2022			
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	₱2,795,745,008	₱–	₱–	₱2,795,745,008
Short-term cash investments	123,724,552	–	–	123,724,552
Other receivables:				
Retention receivables	14,655,481	–	–	14,655,481
Due from related parties and others**	3,171,073,362	–	5,074,645	3,176,148,007
Debt reserve accounts	530,274,454	–	–	530,274,454
	₱6,635,472,857	₱–	₱5,074,645	₱6,640,547,502

**Excludes cash on hand amounting to ₱0.5 million as at December 31, 2022.*
***Excludes advances for business expenses and advances to employees totaling to ₱19 million as at December 31, 2022.*

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:

	2023				
			Days Past Due		
	Contract Assets	**Current**	**1-90 Days**	**> 90 Days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	
Estimated total gross carrying amount at default	**₱1,684,163,954**	**₱1,585,214,983**	**₱160,040,682**	**₱27,199,138**	**₱3,456,618,757**
Expected credit loss	**–**	**–**	**–**	**–**	**–**
Credit impaired	**–**	**–**	**–**	**80,076,224**	**80,076,224**
Total expected credit loss	**₱–**	**₱–**	**₱–**	**₱80,076,224**	**₱80,076,224**

			2022		
	Contract		Days Past Due		
	Assets	Current	1-90 Days	> 90 Days	Total
Expected credit loss rate	0%	0%	0%	0%	
Estimated total gross carrying amount at default	₱1,773,555,974	₱2,345,987,544	₱236,847,021	₱40,252,483	₱4,396,643,022
Expected credit loss	–	–	–	–	–
Credit impaired	–	–	–	124,146,785	124,146,785
Total expected credit loss	₱–	₱–	₱–	₱124,146,785	₱124,146,785

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

	2023	2022
Expected credit loss rate	**0%**	0%
Estimated total gross carrying amount at default	**₱17,187,797**	₱77,726,042

Credit-impaired trade receivables from real estate sales amounted to ₱13 million as of December 31, 2023 and 2022 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):

				2023			
	Due and Demandable	**Less than 3 Months**	**3-12 Months**	**More than 1 Year to 4 Years**	**4-5 Years**	**5 Years onwards**	**Total**
Financial Liabilities:							
Accounts payable and other current liabilities*	**₱2,819,621,545**	**₱71,863,961**	**₱47,300**	**₱–**	**₱–**	**₱–**	**₱2,891,532,806**
Short-term notes and loans payable**	**–**	**4,918,697,128**	**752,178,640**	**–**	**–**	**–**	**5,670,875,768**
Long-term debts**	**–**	**8,448,410**	**3,037,282,997**	**7,260,517,428**	**89,392,020**	**5,027,854,591**	**15,423,495,446**
Lease liabilities**	**–**	**–**	**12,261,809**	**4,091,425**	**5,085,301**	**–**	**21,438,535**
	₱2,819,621,545	**₱4,999,009,499**	**₱3,801,770,746**	**₱7,264,608,853**	**₱94,477,321**	**₱5,027,854,591**	**₱24,007,342,555**
Financial Assets:							
Cash and cash equivalents	**₱2,399,127,715**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,399,127,715**
Short-term cash investments	**–**	**–**	**152,505,384**	**–**	**–**	**–**	**152,505,384**
Receivables	**5,228,274,336**	**149,145,820**	**14,505,279**	**–**	**–**	**–**	**5,391,925,435**
Debt reserve accounts	**–**	**–**	**499,806,101**	**–**	**–**	**–**	**499,806,101**
Retention receivable	**–**	**–**	**14,655,481**	**–**	**–**	**–**	**14,655,481**
Due from related parties and others	**3,368,940,233**	**22,348,005**	**82,293,001**	**268,204,061**	**89,392,020**	**1,239,456,839**	**5,070,634,159**
	₱10,996,342,284	**₱171,493,825**	**₱763,765,246**	**₱268,204,061**	**₱89,392,020**	**₱1,239,456,839**	**₱13,528,654,275**

* *Excluding accrued interest, payable to government agencies, current portion of lease liabilities and advances from customers totaling to ₱601 million.*

** *Including interest payable computed using prevailing rate as at December 31, 2023*

				2022			
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 4 Years	4-5 Years	5 Years onwards	Total
Financial Liabilities:							
Accounts payable and other current liabilities*	₱1,866,521,864	₱52,078,920	₱17,268,920	₱–	₱–	₱–	₱1,935,869,704
Short-term notes and loans payable**	–	400,955,000	4,433,152,000	–	–	–	4,834,107,000
Long-term debts**	–	16,632,582	4,020,154,116	14,421,400,028	2,531,770,455	5,676,127,528	26,666,084,709
Lease liabilities**	–	3,044,873	9,594,754	14,717,676	1,635,558	5,085,301	34,078,162
	₱1,866,521,864	₱472,711,375	₱8,480,169,790	₱14,436,117,704	₱2,533,406,013	₱5,681,212,829	₱33,470,139,575

	2022						
	Due and Demandable	Less than 3 Months	3-12 Months	More than 1 Year to 4 Years	4-5 Years	5 Years onwards	Total
Financial Assets:							
Cash and cash equivalents	₱2,796,280,747	₱–	₱–	₱–	₱–	₱–	₱2,796,280,747
Short-term cash investments	–	–	123,724,552	–	–	–	123,724,552
Receivables	707,869,511	1,743,015,074	249,928,505	–	–	–	2,700,813,090
Debt reserve accounts	–	–	403,844,969	126,429,485	–	–	530,274,454
Retention receivable	–	–	14,655,481	–	–	–	14,655,481
Due from related parties and others	3,171,073,362	–	–	–	–	–	3,171,073,362
	₱6,675,223,620	₱1,743,015,074	₱792,153,507	₱126,429,485	₱–	₱–	₱9,336,821,686

* *Excluding accrued interest, payable to government agencies, current portion of lease liabilities and advances from customers totaling to ₱645 million.*
** *Including interest payable computed using prevailing rate as at December 31, 2022.*

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).

	2023		2022	
	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	**(₱181,830,192)**	**₱181,830,192**	(₱200,550,160)	₱200,550,160

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:

	2023		2022	
	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	**₱1,318,271**	**(₱1,318,271)**	₱1,339,310	(₱1,339,310)

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 ₱55.36 to US$1.0 and ₱55.76 to US$1.0 for December 31, 2023 and 2022, 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.

	2023		2022	
	In U.S. Dollar	**In Philippine Peso**	In U.S. Dollar	In Philippine Peso
Financial assets:				
Cash and cash equivalents	**$4,530,353**	**₱250,800,342**	$2,304,810	₱128,516,206
Short-term cash investments	**2,441,742**	**135,174,837**	2,219,075	123,735,622
Trade and other receivables	**673,289**	**37,273,279**	2,018,266	112,538,512
	7,645,384	**423,248,458**	6,542,151	364,790,340
Financial liabilities -				
Trade payables	**(12,563,103)**	**(695,493,382)**	(198,896)	(11,090,441)
	($4,917,719)	**(₱272,244,924)**	$6,343,255	₱353,699,899

The table below demonstrates the sensitivity to a reasonably possible change in the U.S. dollar to Philippine peso exchange rate, with all other variables held constant, of the Group's income before income tax. The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical date within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2023		2022	
	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	**(₱27,224,492)**	**₱27,224,492**	₱35,369,990	(₱35,369,990)

The increase in ₱ against US$ means stronger U.S. dollar against peso while the decrease in ₱ against US$ means stronger peso against U.S. dollar. There is no other impact on the Group's equity other those already affecting the consolidated statements of income.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its businesses and maximize shareholder's value.

The Group considers its total equity and debt reflected in the consolidated 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 2023, 2022 and 2021.

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, current ratio and interest coverage ratio at manageable levels.

The Parent Company's debt-to-equity ratio and interest coverage ratio based on the consolidated financial statements as required by its own long-term debt are as follows:

a. Debt-to-equity Ratio:

	2022	2021
Long-term debts	**₱18,183,019,243**	₱20,055,015,980
Equity attributable to equity holders of the Parent Company	**13,018,103,233**	12,525,992,386
Debt-to-equity ratio	**1.40:1**	1.60:1

b. Debt Service Coverage Ratio:

	2023	2022
Income before income tax	**₱2,566,586,317**	₱2,220,298,054
Add depreciation, amortization and interest expense	**3,011,429,968**	3,093,359,852
Add ending cash balance	**2,429,127,715**	2,796,280,747
Total cash available for debt service	**8,007,144,000**	8,109,938,653
Divided by aggregate principal repayment and interest during the next period	**2,759,523,797**	4,036,786,698
	2.90:1	2.01:1

Sarangani

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

a. Debt-to-equity Ratio:

	2023	2022
Current liabilities	**₱3,902,773,537**	₱4,352,244,666
Noncurrent liabilities	**9,561,322,718**	11,549,772,864
Total liabilities	**13,464,096,255**	15,902,017,530
Equity	**13,382,987,569**	13,179,728,714
Debt-to-equity ratio	**1.01:1**	1.21:1

b. Debt Service Coverage Ratio:

	2023	2022
Income before income tax	**₱2,346,591,643**	₱1,947,415,589
Add depreciation, amortization and interest expense	**2,392,787,541**	2,472,207,805
Total cash available for debt service	**4,739,379,184**	4,419,623,394
Divided by debt service	**3,115,769,874**	2,965,884,122
	1.52:1	1.49:1

Siguil
Siguil separately monitors its debt-to-equity ratio and current ratio of the Project. Siguil's current ratio and debt-to-equity ratio are as follows:

a. Current Ratio:

	2023	2022
Current assets	**₱339,021,882**	₱506,980,177
Current liabilities*	**79,552,414**	87,321,226
Current ratio	**4.26:1**	5.81:1

**Excluding advances from related parties as provided in OLSA*

b. Debt-to-equity Ratio:

	2023	2022
Total liabilities*	**₱2,079,673,584**	₱1,563,485,465
Equity**	**3,167,728,412**	2,975,462,681
Debt-to-equity ratio	**0.66:1**	0.53:1

**Excluding advances from related parties as provided in OLSA*
***Including advances from related parties as provided in OLSA*

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, 2023:

		Fair Value			
	Carrying value	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial Assets					
Measured at fair value -					
Equity investments designated as FVOCI	**₱2,353,235,905**	**₱2,353,235,905**	**₱30,957,136**	**₱100,110,000**	**₱2,222,168,769**
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	**243,515,741**	**875,137,088**	**–**	**–**	**875,137,088**
	₱2,596,751,646	**₱3,228,372,993**	**₱30,957,136**	**₱100,110,000**	**₱3,097,305,857**
Financial Liabilities					
Fair value is disclosed -					
Long-term debts	**₱18,183,019,243**	**₱22,384,338,552**	**₱–**	**₱–**	**₱22,384,338,552**

As at December 31, 2022:

	Carrying value	Fair Value Total	Level 1	Level 2	Level 3
Financial Assets					
Measured at fair value -					
Equity investments designated as FVOCI	₱2,355,339,743	₱2,355,339,743	₱33,060,974	₱100,110,000	₱2,222,168,769
Non-financial Assets					
Fair value is disclosed -					
Investments in real estate	410,914,921	1,476,729,536	–	–	1,476,729,536
	₱2,766,254,664	₱3,832,069,279	₱33,060,974	₱100,110,000	₱3,698,898,305
Financial Liabilities					
Fair value is disclosed -					
Long-term debts	₱20,055,015,980	₱24,688,873,798	₱–	₱–	₱24,688,873,798

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the Group's investment in unquoted equity investments is measured at fair value using the adjusted net asset value approach as of December 31, 2023 and 2022, 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, 2023:

Significant unobservable inputs	Inputs	**Increase (Decrease)**	**Amount (in millions)**
Average price per square meter for real estate properties	**₱96,000**	+1%	**₱15**
		-1%	**(15)**
Multiplier to arrive at the estimated net realizable value for real estate inventories	**2.11 times**	+1%	**17**
		-1%	**(17)**
Discount for lack of control and marketability	**10%**	+5%	**(239)**
		-5%	**251**

As at December 31, 2022:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Average price per square meter for real estate properties	₱121,000	+1%	₱18
		-1%	(18)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.22 times	+1%	74
		-1%	(74)
Discount for lack of control and marketability	10%	+5%	(235)
		-5%	254

Accounts payable and other current liabilities and loans payable
The carrying amounts of these financial liabilities approximate fair value because of the short-term maturity of these instruments.

Long-term debts
The fair value of long-term debts with variable interest rates approximates its carrying amounts due to quarterly repricing of interest. The fair value of long-term debts with fixed interest rate and long-term debts with variable interest rates subject to semi-annual repricing of interest is determined by discounting the estimated future cash flows using the discount rates applicable for similar types of instruments.

Investments in real estate
Refer to Note 10 for the basis of fair value.

33. Revenue and Significant Agreements and Commitments

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	**2023**	2022	2021
Power supply agreements and ancillary services procurement agreement	**₱12,417,643,680**	₱11,967,260,712	₱10,046,853,824
Contract to sell of residential lots	**5,103,300**	21,971,417	–
Total revenue from contracts with customers	**₱12,422,746,980**	₱11,989,232,129	₱10,046,853,824
Income from leases (Notes 27 and 30)	**₱88,351,979**	₱427,411,687	₱7,656,913
	₱12,511,098,959	₱12,416,643,816	₱10,054,510,737

Contract Balances
The Group's receivables as at December 31, 2023 and 2022 are disclosed in Note 8. The Group's contract assets as at December 31, 2023 and 2022 amounted to ₱1,684 million and ₱1,774 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).

The Group's trade receivables and contract assets amounted to ₱2,226 million and ₱1,783 million, respectively, as of January 1, 2022.

Significant Contracts

a. PSAs and ASPA

Sarangani

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

Phase 1 of the Project

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

Phase 2 of the Project

Contracting Party	Contracted Capacity (in Megawatts)
Cagayan Electric Power and Light Company, Inc.	20
Davao del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative, Inc.	15
Cotabato Electric Cooperative, Inc.	10
South Cotabato I Electric Cooperative, Inc.	10
Zamboanga del Sur I Electric Cooperative Inc.	5
Zamboanga del Norte Electric Cooperative Inc.	5
	80

Revenue amounted to ₱10,742 million in 2023, ₱9,973 million in 2022 and ₱8,225 million in 2021.

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 ₱1,676 million in 2023, ₱1,994 million in 2022 and ₱1,822 million in 2021.

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 23, 2023, the SRPI has not started the construction of the ZAM 100 power plant. The proposals for the EPC rebidding were submitted on August 30, 2018. The selected EPC contractor remains committed to the implementation of the SRPI Project, with regular updating of project requirements to maintain readiness for implementation upon execution of the EPC contract and issuance of NTP. The issuance of the NTP is expected in the fourth quarter of 2024, corresponding to a Commercial Operations Date (COD) in March 2027.

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 maket and sell the individual lots at Eagle Ridge. FEGC is entitled to a marketing commission of 12% of the sales contract price.

d. 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.

e. 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 2022 and 2021, the Company received, through TTC, a portion of the grant amounting to JPY305.52 million (₱126 million) and JPY388.65 million (₱169 million), respectively. 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:

	2023	2022	2021
Financing activities:			
Conversion of advances to equity attributable to non-controlling interests (Note 1)	**₱–**	₱–	₱1,879,463,700
Amortization of debt issue cost (Note 18)	**70,383,170**	72,779,804	71,395,747
Application of dividends to subscriptions receivable (Note 21)	–	(2,016,667)	(4,400,000)
Investing activities:			
Noncash additions to property, plant and equipment (reclassifications, unpaid portions, etc.)	**(54,413,791)**	313,152,472	(69,053,741)
Addition to right-of-use assets (Note 12)	**(4,942,497)**	(53,092,474)	(15,003,137)
Share in earnings of associates (Notes 11 and 27)	**(22,392,892)**	(54,720,253)	(72,357,699)

b. Reconciliation of the movement of liabilities arising from financing activities as at and for the years ended December 31, 2023 and 2022 are as follows:

	2023			
	Loans payable	**Short-term notes payable**	**Long-term debts**	**Total**
Beginning balance	**₱3,194,099,417**	**₱1,576,622,383**	**₱20,055,015,980**	**₱24,825,737,780**
Cash movements:				
Availment of additional debt	**4,409,783,571**	**2,529,000,000**	**519,165,684**	**7,457,949,255**
Settlement of debt	**(3,828,585,860)**	**(2,210,043,743)**	**(2,433,148,000)**	**(8,471,777,603)**
Payment of debt issue costs	–	–	**(28,397,591)**	**(28,397,591)**
Noncash movements:				
Amortization of debt issue costs	–	–	**70,383,170**	**70,383,170**
Ending balance	**₱3,775,297,128**	**₱1,895,578,640**	**₱18,183,019,243**	**₱23,853,895,011**

	2022			
	Loans payable	Short-term notes payable	Long-term debts	Total
Beginning balance	₱1,570,535,030	₱1,943,104,063	₱20,587,209,489	₱24,100,848,582
Cash movements:				
Availment of additional debt	4,294,099,417	1,885,000,000	1,200,000,000	7,379,099,417
Settlement of debt	(2,670,535,030)	(2,251,481,680)	(1,785,410,000)	(6,707,426,710)
Payment of debt issue costs	–	–	(19,563,313)	(19,563,313)
Noncash movemeuts:				
Amortization of debt issue costs	–	–	72,779,804	72,779,804
Ending balance	₱3,194,099,417	₱1,576,622,383	₱20,055,015,980	₱24,825,737,780

	2021			
	Loans payable	Short-term notes payable	Long-term debts	Total
Beginning balance	₱1,382,667,507	₱892,790,136	₱21,993,281,742	₱24,268,739,385
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	₱1,570,535,030	₱1,943,104,063	₱20,587,209,489	₱24,100,848,582

c. Reconciliation of the movement of interest payable arising from financing activities as at and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Beginning balance	**₱311,868,413**	₱274,995,147	₱303,119,098
Cash movements:			
Payment	**(1,541,361,998)**	(1,522,627,562)	(1,660,106,861)
Noncash movements:			
Interest expense, excluding accretion on decommissioning liabilities and amortization of debt issue costs	**1,557,588,432**	1,559,500,828	1,631,982,910
Ending balance	**₱328,094,847**	₱311,868,413	₱274,995,147

d. Reconciliation of the movement of dividend payable arising from financing activities as at and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Beginning balance	**₱180,038,321**	₱749,999,985	₱479,999,990
Cash movements:			
Payment	**(1,739,212,149)**	(1,520,674,997)	(740,829,990)
Noncash movements:			
Declaration	**1,565,230,000**	952,730,000	1,015,229,985
Application of dividends to subscriptions receivable (Note 21)	–	(2,016,667)	(4,400,000)
Ending balance	**₱6,056,172**	₱180,038,321	₱749,999,985

36. **Other Matters**

a. Electric Power Industry Reform Act (EPIRA)

RA No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations (IRR) provide for significant changes in the power sector which include among others:

i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
ii. Creation of a Wholesale Electricity Spot Market within one year; and
iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the 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, 2023 and 2022.

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Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, included in this Form 17-A and have issued our report thereon dated March 14, 2024 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.

Dyole S. Garcia
Partner
CPA Certificate No. 0097907
Tax Identification No. 201-960-347
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-102-2021, September 16, 2021, valid until September 15, 2024
PTR No. 10079941, January 5, 2024, Makati City

March 14, 2024

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION*
FOR THE YEAR ENDED DECEMBER 31, 2023

Unappropriated retained earnings, beginning of reporting period				₱179,352,381
Add:	Category A:	**Items that are directly credited to unappropriated retained earnings**		
		Reversal of retained earnings appropriations	–	
		Effect of restatements or prior-year adjustments	–	
		Others (describe nature)	–	–
Less:	Category B:	**Items that are directly debited to unappropriated retained earnings**		
		Dividend declaration during the reporting period	130,230,000	
		Retained earnings appropriated during the reporting period	–	
		Effect of restatements or prior-year adjustments	–	
		Others (describe nature)	–	130,230,000
Unappropriated retained earnings, as adjusted				49,122,381
Add/Less: Net income (loss) for the current year				502,872,731
Less:	Category C.1:	**Unrealized income recognized in the profit or loss during the reporting period (net of tax)**		
		Equity in net income of associate/joint venture, net of dividends declared	–	
		Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
		Unrealized fair value gain of investment property	–	
		Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	Category C.2:	**Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
		Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
		Realized fair value gain of investment property	–	
		Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	Category C.3:	**Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)**		
		Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
		Reversal of previously recorded fair value gain of investment property	–	
		Reversal of previously recorded other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	Category D:	**Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
		Depreciation on revaluation increment (after tax)	–	–
Add/ (Less)	Category E:	**Adjustments related to relief granted by the SEC and BSP**		
		Amortization of the effect of reporting relief	–	
		Total amount of reporting relief granted during the year	–	
		Others (describe nature)	–	–
Add/ (Less)	Category F:	**Other items that should be excluded from the determination of the amount of available for dividends distribution**		
		Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
		Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
		Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	–	
		Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
		Others (describe nature)	–	–
Adjusted net income				551,995,112
Total retained earnings, end of reporting period available for dividend declaration				₱551,995,112

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, 2023

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

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 14, 2024. 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Djole S. Garcia
Djole S. Garcia
Partner
CPA Certificate No. 0097907
Tax Identification No. 201-960-347
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-102-2021, September 16, 2021, valid until September 15, 2024
PTR No. 10079941, January 5, 2024, Makati City

March 14, 2024

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

ALSONS CONSOLIDATED RESOURCES, INC.

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

Alsons Building, 2286 Chino Roces Ave., Makati City, 1231 Metro Manila, Philippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	(02) 8982 - 3000	09178581642
No. of Stockholders	**Annual Meeting (Month / Day)**	**Fiscal Year (Month / Day)**
447	June 19	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jose D. Saldivar, Jr.	jsaldivar@alcantaragroup.com	(02) 8982 - 3000	N/A

CONTACT PERSON's ADDRESS

Alsons Building, 2286 Chino Roces Ave., Makati City, 1231 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, 2023 and 2022, 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	**TIRSO G. SANTILLAN, JR.**	**PHILIP EDWARD B. SAGUN**
Chairman and President	Executive Vice-President	Deputy Chief Financial Officer

Signed this 14th of March 2024

SUBSCRIBED AND SWORN to before me this 14 MAR 2024 PARAÑAQUE CITY affiants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date and Place of Issue
Nicasio I. Alcantara	P9170862B	Valid Until 03-14-2032 /DFA
Tirso G. Santillan, Jr.	N17-72-000977	Valid Until 02-12-2028 /LTO QC
Philip Edward B. Sagun	N01-94-161072	Valid Until 11-10-2032 /LTO

Doc No. 132
Page No. 28
Book No. 15
Series of 2024

VILMA HILDA D. VILLANUEVA-FABELLA NOTARY PUBLIC PARAÑAQUE CITY

ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31 2024
IBP No. 378079/12-29-2023/PPLM
PTR No. 3482808/1-09-2024 Paranaque
Roll No. 41901
Not. Com No. 115-2023/1-09-2023

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Alsons Consolidated Resources, Inc.
Alsons Building, 2286 Chino Roces Ave.
Makati City, 1231 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, 2023 and 2022, 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 material accounting policy information.

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, 2023 and 2022, 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 24 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 Djole S. Garcia.

SYCIP GORRES VELAYO & CO.

Djole S. Garcia

Djole S. Garcia
Partner
CPA Certificate No. 0097907
Tax Identification No. 201-960-347
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-102-2021, September 16, 2021, valid until September 15, 2024
PTR No. 10079941, January 5, 2024, Makati City

March 14, 2024

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8A - MAKATI
Revenue District Office No. 48
West Makati
RECEIVED
INITIAL: DATE:
RCO NAME: KATHLEEN P. BALLECER RCO CODE: 006897

APR 13 2024

ALSONS CONSOLIDATED RESOURCES, INC.

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	**₱245,764,284**	₱321,861,046
Receivables (Notes 8 and 16)	**6,913,704,987**	5,774,787,137
Other current assets (Note 12)	**633,852,333**	537,210,286
Total Current Assets	**7,793,321,604**	6,633,858,469
Noncurrent Assets		
Investments in and advances to subsidiaries (Note 9)	**6,720,066,511**	6,720,066,511
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]	**2,252,985,905**	2,255,089,743
Other noncurrent assets (Note 12)	**131,221,020**	129,378,475
Total Noncurrent Assets	**11,386,095,770**	11,386,357,063
TOTAL ASSETS	**₱19,179,417,374**	₱18,020,215,532
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses and other current liabilities (Note 13)	**₱128,186,984**	₱121,596,552
Short-term loans (Note 14)	**3,725,297,128**	2,794,099,417
Short-term commercial papers (Note 14)	**1,895,578,640**	1,576,622,383
Current portion of long-term debts (Note 15)	**700,182,507**	465,485,366
Total Current Liabilities	**6,449,245,259**	4,957,803,718
Noncurrent Liabilities		
Long-term debts (Note 15)	**4,718,339,523**	5,418,522,030
Retirement benefits payable (Note 18)	**12,679,389**	15,275,474
Total Noncurrent Liabilities	**4,731,018,912**	5,433,797,504
Total Liabilities	**11,180,264,171**	10,391,601,222
Equity		
Capital stock (Note 17)	**6,346,500,000**	6,346,500,000
Retained earnings (Note 17):		
Appropriated	**1,100,000,000**	1,100,000,000
Unappropriated	**551,995,112**	179,352,381
Equity reserves (Notes 11, 17 and 18)	**658,091**	2,761,929
Total Equity	**7,999,153,203**	7,628,614,310
TOTAL LIABILITIES AND EQUITY	**₱19,179,417,374**	₱18,020,215,532

See accompanying Notes to Parent Company Financial Statements.

ALSONS CONSOLIDATED RESOURCES, INC.
PARENT COMPANY STATEMENR OF INCOME

	Years Ended December 31	
	2023	2022
DIVIDEND INCOME (Notes 9, 10, and 16)	**₱957,900,012**	₱470,100,006
GENERAL AND ADMINISTRATIVE EXPENSES		
Taxes and licenses	**24,092,534**	26,884,065
Shared administrative expenses	**20,299,656**	19,596,693
Salaries, wages and employee benefits (Note 18)	**16,279,558**	20,207,468
Rent, light and water	**3,545,389**	3,531,036
Directors/executive fees and bonuses	**2,610,000**	2,565,000
Transportation and travel	**1,627,642**	418,298
Outside services	**1,539,942**	3,475,383
Trust fee	**1,500,000**	1,500,000
Office supplies	**1,137,553**	695,861
Depreciation (Note 12)	**458,701**	527,115
Representation and entertainment	**302,756**	291,150
Other administrative expenses	**2,491,509**	2,333,315
	75,885,240	82,025,384
FINANCE INCOME (CHARGES)		
Finance charges (Notes 14, 15 and 19)	**(406,255,364)**	(359,331,911)
Interest income (Notes 7 and 12)	**29,516,246**	7,079,347
	(376,739,118)	(352,252,564)
OTHER INCOME (CHARGES)		
Foreign exchange gain (loss) - net	**(2,759,859)**	23,041,962
Other income (Note 16)	**356,936**	100,286,848
	(2,402,923)	123,328,810
INCOME BEFORE INCOME TAX	**502,872,731**	159,150,868
PROVISION FOR INCOME TAX - Current (Note 20)	–	(996,374)
NET INCOME	**₱502,872,731**	₱158,154,494

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8A - MAKATI
Revenue District Office No. 48
West Makati
RECEIVED
INITIAL: DATE:
RCO NAME: KATHLEEN P BALLECER RCO CODE: 006897

APR 1 3 2024

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

	Years Ended December 31	
	2023	2022
NET INCOME	**₱502,872,731**	₱158,154,494
OTHER COMPREHENSIVE LOSS		
Items not to be reclassified to profit or loss in subsequent periods		
Unrealized loss on fair valuation of equity investments (Note 11)	**(2,103,838)**	(6,456,683)
TOTAL COMPREHENSIVE INCOME	**₱500,768,893**	₱151,697,811

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, 2023 AND 2022

				Equity Reserves (Notes 11, 17 and 18)				
	Capital Stock (Note 17)	Retained Earnings (Note 17) Appropriated	Retained Earnings (Note 17) Unappropriated	Unrealized Gain on Equity investments Designated at FVTOCI	Remeasurement Losses on Defined Benefit Plan	Other Equity Reserves	Sub-total	Total
BALANCES AS AT JANUARY 1, 2022	**₱6,344,483,333**	**₱1,100,000,000**	**₱151,427,890**	**₱23,667,554**	**(₱399,302)**	**(₱14,049,640)**	**₱9,218,612**	**₱7,605,129,835**
Net income	–	–	158,154,494	–	–	–	–	158,154,494
Other comprehensive loss	–	–	–	(6,456,683)	–	–	(6,456,683)	(6,456,683)
Total comprehensive income (loss)	–	–	158,154,494	(6,456,683)	–	–	(6,456,683)	151,697,811
Cash dividends declared (Note 17)	–	–	(130,230,003)	–	–	–	–	(130,230,003)
Collection of subscriptions receivable (Note 17)	2,016,667	–	–	–	–	–	–	2,016,667
BALANCES AS AT DECEMBER 31, 2022	**6,346,500,000**	**1,100,000,000**	**179,352,381**	**17,210,871**	**(399,302)**	**(14,049,640)**	**2,761,929**	**7,628,614,310**
Net income	–	–	502,872,731	–	–	–		502,872,731
Other comprehensive loss	–	–	–	(2,103,838)	–	–	(2,103,838)	(2,103,838)
Total comprehensive income (loss)	–	–	502,872,731	(2,103,838)	–	–	(2,103,838)	500,768,893
Cash dividends declared (Note 17)	–	–	(130,230,000)	–	–	–	–	(130,230,000)
BALANCES AS AT DECEMBER 31, 2023	**₱6,346,500,000**	**₱1,100,000,000**	**₱551,995,112**	**₱15,107,033**	**(₱399,302)**	**(₱14,049,640)**	**₱658,091**	**₱7,999,153,203**

See accompanying Notes to Parent Company Financial Statements.

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

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱502,872,731**	₱159,150,868
Adjustments for:		
Dividend income (Note 16)	**(957,900,012)**	(470,100,006)
Finance charges (Notes 14, 15 and 19)	**406,255,364**	359,331,911
Interest income (Notes 7 and 12)	**(29,516,246)**	(7,079,347)
Unrealized foreign exchange loss (gain) - net	**2,759,859**	(11,975,887)
Movements in retirement benefits payable (Note 18)	**(2,596,085)**	135,135
Depreciation (Note 12)	**458,701**	527,115
Operating income (loss) before working capital changes	**(77,665,688)**	29,989,789
Decrease (increase) in:		
Receivables	**(8,026,157)**	13,700
Other current assets	**(680,915)**	(1,556,088)
Increase (decrease) in accrued expenses and other current liabilities	**(3,502,916)**	20,644,081
Cash generated from (used in) operating activities	**(89,875,676)**	49,091,482
Interest received	**29,779,265**	6,853,619
Income tax paid, including creditable withholding taxes	**–**	(2,005,697)
Net cash from (used in) operating activities	**(60,096,411)**	53,939,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Grant of advances to related parties	**(1,031,154,712)**	(1,103,431,855)
Dividends received	**857,900,012**	920,100,021
Additions to:		
Property and equipment (Note 12)	**(367,953)**	(105,731)
Other noncurrent assets	**(1,933,293)**	(3,998,833)
Net cash used in investing activities	**(175,555,946)**	(187,436,398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of short-term loans (Notes 14 and 23)	**4,359,783,571**	2,794,099,417
Issuance of commercial papers (Notes 14 and 23)	**2,529,000,000**	1,885,000,000
Payments of:		
Short-term loans (Notes 14 and 23)	**(3,428,585,860)**	(1,570,535,030)
Short-term commercial papers (Notes 14 and 23)	**(2,210,043,743)**	(2,251,481,680)
Long-term debts (Notes 15 and 23)	**(485,050,000)**	(30,000,000)
Interests (Note 23)	**(376,597,382)**	(326,445,524)
Dividends (Notes 17 and 23)	**(130,230,000)**	(128,213,336)
Additions to debt reserve account (Note 12 and 15)	**(95,961,132)**	(228,827,660)
Net cash from financing activities	**162,315,454**	143,596,187
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(2,759,859)**	685,910
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(76,096,762)**	10,785,103
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**321,861,046**	311,075,943
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱245,764,284**	₱321,861,046

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, 1231 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 14, 2024.

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.

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 its website at http://www.acr.com.ph.

3. Changes in Accounting Policies

New Standards Effective Starting January 1, 2023
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. 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.

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

Standards Issued but not yet Effective
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 on the Company's financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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, 2023. 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.

4. Material Accounting Policy Information

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.

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
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).

Derecognition
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 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

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.

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.

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.

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.

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.

5. Significant Judgements, 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.

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.

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 carrying amount of the Group's unquoted equity investment in Aldevinco, including its key assumptions used in the valuation are disclosed in Notes 11 and 22.

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 2023 and 2022. The carrying values of the Company's financial assets at amortized cost as at December 31, 2023 and 2022 are as follows:

	2023	2022
Cash in banks and cash equivalents (Note 7)	**₱245,761,783**	₱321,851,046
Receivables*(Notes 8 and 16)	**6,905,650,330**	5,774,758,637
Debt reserve account (Notes 12 and 15)	**499,806,101**	403,844,969
Short-term investments (Note 12)	**122,505,384**	123,724,552

**Excluding advances for business expenses and advances to officers and employees totaling to ₱8.05 million and ₱0.03 million as at December 31, 2023 and 2022, respectively.*

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, 2023 and 2022 amounted to ₱9,001.9 million (see Notes 9 and 10).

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, 2023:

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Parent Company Financial Statements
			(Amounts in Thousands)			
Earnings Information						
Revenues						
External customer	**₱12,529,121**	**₱5,103**	**₱–**	**₱12,534,224**	**(12,534,224)**	**₱–**
Inter-segment	**–**	**4,092**	**995,254**	**999,346**	**(999,346)**	**–**
Total revenues	**12,529,121**	**9,195**	**995,254**	**13,533,570**	**(13,533,570)**	**–**
Interest and dividend income	**53,447**	**4,181**	**29,675**	**87,303**	**900,113**	**987,416**
Income from finance lease	**–**	**88,352**	**–**	**88,352**	**(88,352)**	**–**
Finance charges	**1,248,877**	**–**	**406,255**	**1,655,132**	**(1,248,877)**	**406,255**
Provision for income tax	**291,264**	**33**	**(186)**	**291,111**	**(291,111)**	**–**
Net income (loss)	**2,682,409**	**67,443**	**505,369**	**3,255,221**	**(2,752,349)**	**502,872**
Other Information						
Investments in associates and due from related parties	**114,465**	**1,082,342**	**9,181,060**	**10,377,867**	**(1,560,845)**	**8,817,022**
Segment assets	**37,775,562**	**2,538,871**	**19,219,351**	**59,533,784**	**(40,354,367)**	**19,179,417**
Segment liabilities	**21,001,961**	**373,300**	**11,319,957**	**32,695,218**	**(21,514,954)**	**11,180,264**
Depreciation and amortization	**1,309,138**	**1,336**	**1,285**	**1,311,759**	**(1,311,301)**	**458**
Cash Flow Information						
Net cash flows from (used in):						
Operating activities	**5,911,395**	**(48,247)**	**(104,651)**	**5,758,497**	**(5,818,593)**	**(60,096)**
Investing activities	**(1,051,530)**	**107,908**	**(175,729)**	**(1,119,351)**	**943,795**	**(175,556)**
Financing activities	**(5,139,659)**	**–**	**204,137**	**(4,935,522)**	**5,097,837**	**162,315**

As at December 31, 2022:

	Power and Energy	Property Development	Other Investments	Total	Eliminations	Parent Company Financial Statements
			(Amounts in Thousands)			
Earnings Information						
Revenues						
External customer	₱12,168,157	₱25,118	₱–	₱12,193,275	(₱12,193,275)	₱–
Inter-segment	–	4,092	499,034	503,126	(503,126)	–
Total revenues	12,168,157	29,210	499,034	12,696,401	(12,696,401)	–
Interest and dividend income	16,544	1,013	7,225	24,782	452,397	477,179
Income from finance lease	–	417,129	–	417,129	(417,129)	–
Finance charges	1,291,070	–	359,332	1,650,402	(1,291,070)	359,332
Provision for income tax	341,194	21,198	1,355	363,747	(362,751)	996
Net income (loss)	1,879,488	390,468	153,344	2,423,300	(2,265,146)	158,154
Other Information						
Investments in associates and due from related parties	192,184	939,821	8,049,896	9,181,901	(1,396,034)	7,785,867
Segment assets	37,568,717	2,432,755	18,056,469	58,057,941	(40,037,725)	18,020,216
Segment liabilities	21,239,717	334,627	10,529,919	32,104,263	(21,712,662)	10,391,601
Depreciation and amortization	1,396,046	530	1,844	1,398,420	(1,397,893)	527
Cash Flow Information						
Net cash flows from (used in):						
Operating activities	4,482,606	(48,247)	(1,279,684)	3,154,675	(3,100,736)	53,939
Investing activities	(681,579)	107,908	915,032	341,361	(528,797)	(187,436)
Financing activities	(3,717,085)	–	372,064	(3,345,021)	3,488,617	143,596

7. Cash and Cash Equivalent

	2023	2022
Cash on hand	**₱2,501**	₱10,000
Cash in banks	**110,081,533**	190,154,938
Cash equivalents	**135,680,250**	131,696,108
	₱245,764,284	₱321,861,046

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 ₱11.8 million and ₱3.1 million in 2023 and 2022, respectively.

8. Receivables

	2023	2022
Due from related parties (Note 16)	**₱6,535,199,708**	₱5,504,044,996
Dividends receivable (Note 16)	**364,000,000**	264,000,000
Interest receivable	**2,222,767**	2,485,786
Others	**12,282,512**	4,256,355
	₱6,913,704,987	₱5,774,787,137

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:

	2023	2022
Acquisition costs	**₱8,379,872,585**	₱8,379,872,585
Less accumulated impairment losses	**(1,704,554,256)**	(1,704,554,256)
Investments in subsidiaries	**6,675,318,329**	6,675,318,329
Advances to subsidiaries (Note 16)	**44,748,182**	44,748,182
	₱6,720,066,511	₱6,720,066,511

Investments in subsidiaries consist of:

	2023				Percentage of Ownership			
					2023		2022	
	Acquisition Cost	Allowance for Impairment	Total	2023	Direct	Indirect	Direct	Indirect
Subsidiaries								
ATEC:	₱3,413,579,092	₱–	₱ 3,413,579,092	₱3,413,579,092	50.00*	–	50.00*	–
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):	956,448,735	–	956,448,735	956,448,735	100.00	–	100.00	–
Alsing Power Holdings, Inc. (APHI):	22,145,853	–	22,145,853	22,145,853	20.00	80.00	20.00	80.00
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):	125,000,000	–	125,000,000	125,000,000	80.00	–	80.00	–
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	2,637,400	–	2,637,400	2,637,400	100.00	–	100.00	–
Alsons Land Corporation (ALC)	3,674,087,900	(1,521,080,651)	2,153,007,249	2,153,007,249	99.55	–	99.55	–
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	1,250,000	–	1,250,000	1,250,000	100.00	–	100.00	–
MADE (Market Developers), Inc.	183,473,605	(183,473,605)	–	–	80.44	–	80.44	–
Alsons Power Supply Corporation (APSC)	1,250,000	–	1,250,000	1,250,000	100.00	–	100.00	–
	₱8,379,872,585	(₱1,704,554,256)	₱6,675,318,329	₱6,675,318,329				

**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, 2023 and 2022, 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.

	2023	2022
ATEC	**₱800,000,012**	₱412,500,006
CHC	**100,000,000**	–
APHI	**33,000,000**	32,700,000
Total	**₱933,000,012**	₱445,200,006

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 stock. The subscription was paid by way of the Company's investment in Sarangani and cash amounting to ₱14.0 million. Accordingly, Sarangani 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. 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.

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 primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity.

On May 31, 2017, ACR and the Parent Company executed an assignment of shares agreement wherein ACR assigned and transferred its ownership interest in SRPI to the Parent Company. Accordingly, SRPI became a wholly owned subsidiary of ATEC.

SRPI is currently developing the ZAM 100 project which is a 105 MW coal-fired power plant in San Ramon, Zamboanga City. The project received its Environmental Compliance Certificate (ECC) on March 20, 2012.

As of March 14, 2024, SRPI's project has maintained a shovel-ready project site to accommodate the mobilization of the Engineering, Procurement and Construction (EPC) contractor upon issuance of Notice to Proceed (NTP). The issuance of the NTP is contingent on market conditions that would allow the start of supply to the main offtaker, ZAMCELCO, without added burden on the distribution utility owing to overlapping contractual obligations or over-contracting. At the present time, the oversupply and demand situation in the Mindanao grid points to 2028 as the opportune schedule for need of new capacity in the system. This would correspond to a 2025 timing of NTP issuance for the Company's project.

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, 2023 and 2022, 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 distribution 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 the first half of 2024. As at March 14, 2024, 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 14, 2024, 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 14, 2024, 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

	2023	2022
Acquisition costs	**₱2,428,867,334**	₱2,428,867,334
Accumulated impairment losses	**(147,045,000)**	(147,045,000)
	₱2,281,822,334	₱2,281,822,334

Investments in associates consist of:

	2023				Percentage of Ownership			
					2023		2022	
	Acquisition Cost	Allowance for Impairment	Total	2022	Direct	Indirect	Direct	Indirect
Indophil Resources Philippines, Inc. (IRPI)	**₱1,318,510,532**	**₱–**	**₱1,318,510,532**	₱1,318,510,532	**2.00**	**–**	2.00	–
Aviana Development Corporation (Aviana)	**963,311,802**	**–**	**963,311,802**	963,311,802	**34.00**	**–**	34.00	–
RCP Holdings, Inc.	**80,851,701**	**(80,851,701)**	**–**	–	**31.24**	**–**	31.24	–
T'boli Agro-Industrial Development, Inc.	**66,193,299**	**(66,193,299)**	**–**	–	**22.32**	**–**	22.32	–
	₱2,428,867,334	**(₱147,045,000)**	**₱2,281,822,334**	₱2,281,822,334				

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 years ended December 31 are as follows:

	2023	2022
	(Amounts in Thousands)	
Current assets	**₱4,607,991**	₱3,592,002
Noncurrent assets	**18,836,088**	18,836,087
Current liabilities	**241,577**	241,569
Noncurrent liabilities	**437,146**	402,402
Net income (loss)	**(22,765)**	29,642
Total comprehensive income (loss)	**(22,765)**	29,642

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 years ended December 31 are as follows:

	2023	2022
	(Amounts in Thousands)	
Current assets	**₱2,082,803**	₱2,639,921
Noncurrent assets	**1,497,549**	2,133,382
Current liabilities	**1,088,583**	2,145,432
Noncurrent liabilities	**201,875**	337,256
Revenue and other income	**604,923**	1,009,659
Net income	**67,345**	162,686
Total comprehensive income	**67,345**	162,686

The Company received cash dividends from Aviana amounting to ₱24.9 million in 2023 and 2022, 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:

	2023	2022
Acquisition costs		
Balances		
Unquoted	**₱2,221,268,769**	₱2,221,268,769
Quoted	**16,610,103**	16,610,103
	2,237,878,872	2,237,878,872
Unrealized gain on changes in fair value (Note 17)		
Balances at beginning of year	**17,210,871**	23,667,554
Fair value changes recognized in OCI	**(2,103,838)**	(6,456,683)
Balances at end of year	**15,107,033**	17,210,871
	₱2,252,985,905	₱2,255,089,743

The fair value of investments in shares of listed companies was based on their bid prices as of December 31, 2023 and 2022.

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

	2023	2022
Debt reserve account (Note 15)	**₱499,806,101**	₱403,844,969
Short-term investments	**122,505,384**	123,724,552
Prepaid expenses	**11,540,848**	9,640,765
	₱633,852,333	₱537,210,286

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 ₱17.7 million and ₱4.0 million in 2023 and 2022, respectively.

Other Noncurrent Assets

	2023	2022
Creditable withholding tax	**₱58,399,756**	₱58,399,756
Advances to landowner	**63,850,273**	63,778,315
Input VAT	**8,298,960**	6,437,626
Property and equipment	**270,227**	360,975
Others	**401,804**	401,803
	₱131,221,020	₱129,378,475

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, 2023:

	Office Furniture, Fixtures and Equipment	**Transportation Equipment**	**Leasehold Improvements**	**Total**
Cost				
Balance at beginning of year	**₱7,869,928**	**₱2,683,821**	**₱14,069,059**	**₱24,622,808**
Additions	**367,953**	**–**	**–**	**367,953**
Balance at end of year	**8,237,881**	**2,683,821**	**14,069,059**	**24,990,761**
Accumulated Depreciation				
Balance at beginning of year	**7,830,606**	**2,362,168**	**14,069,059**	**24,261,833**
Depreciation	**201,380**	**257,320**	**–**	**458,701**
Balance at end of year	**8,031,986**	**2,619,488**	**14,069,059**	**24,720,534**
Net Book Value	**₱205,895**	**₱64,333**	**₱–**	**₱270,227**

As at December 31, 2022:

	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Total
Cost				
Balance at beginning of year	₱7,764,197	₱2,683,821	₱14,069,059	₱24,517,077
Additions	105,731	–	–	105,731
Balance at end of year	7,869,928	2,683,821	14,069,059	24,622,808
Accumulated Depreciation				
Balance at beginning of year	7,560,812	2,104,847	14,069,059	23,734,718
Depreciation	269,794	257,321	–	527,115
Balance at end of year	7,830,606	2,362,168	14,069,059	24,261,833
Net Book Value	₱39,322	₱321,653	₱–	₱360,975

The Company has fully depreciated property and equipment still used in the operations with both cost and accumulated depreciation of ₱16,930,917 and ₱16,825,184 as at December 31, 2023 and 2022, respectively.

13. Accrued Expenses and Other Current Liabilities

	2023	2022
Interest payable (Notes 14, 15 and 23)	**₱52,850,554**	₱42,757,206
Payable to TTC	**40,564,511**	40,564,511
Accrued expenses	**15,205,433**	9,183,748
Payables to government agencies	**6,464,515**	15,800,967
Dividends payable	**6,056,172**	6,056,172
Other payables	**7,045,799**	7,233,948
	₱128,186,984	₱121,596,552

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

Payable to TTC and other payables are non-interest-bearing cash advances and are payable on demand.

Accrued expenses pertain to professional fees and per diem which 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 2023 and 2022, the Company availed of unsecured short-term loans from local banks totaling to ₱4,359.8 million and ₱2,794.1 million, respectively. These loans are subject to annual fixed interest rates ranging from 6.75% to 7.50% in 2023 and 3.50% to 6.00% in 2022 and are payable on various dates within one year. As at December 31, 2023 and 2022, outstanding short-term loans amounted to ₱3,725.3 million and ₱2,794.1 million, respectively.

Interest expense incurred in 2023 and 2022 related to these short-term loans amounted to ₱35.8 million and ₱71.8 million, respectively (see Note 19). Interest payable amounted to ₱31.1 million and ₱19.1 million as of December 31, 2023 and 2022 (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 ₱1,880.0 million worth of commercial papers with a tenor of 90 to 360 days. These were issued at discounted amounts with net proceeds amounting to ₱1,806.0 million. This was settled in 2019 and 2020.

In 2021, the Parent Company has listed a total of ₱2,000.0 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,944.0 million.

In 2022, the Parent Company has listed a total of ₱1,885.0 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱1,796.5 million.

In 2023, the Parent Company has listed a total of ₱2,529.0 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to ₱2,365.6 million.

Outstanding balance from the commercial papers amounted to ₱1,895.6 million and ₱1,576.6 million as at December 31, 2023 and 2022, respectively.

The Company has recognized an interest expense amounting to ₱39.2 million and ₱106.9 million in 2023 and 2022, 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:

	2023	2022
Five-year fixed rate corporate note	**₱4,693,500,000**	₱5,162,850,000
Seven-year fixed rate corporate note	**761,450,000**	777,150,000
	5,454,950,000	5,940,000,000
Less unamortized transaction costs	**(36,427,970)**	(55,992,604)
	5,418,522,030	5,884,007,396
Less current portion	**(700,182,507)**	(465,485,366)
Noncurrent portion	**₱4,718,339,523**	₱5,418,522,030

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 2nd year, 2.75 on the 3rd year, 2.5 on the 4th year and 2.33 on the 5th 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, 2023 and 2022, 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, 2023 and 2022, the remaining balance of debt reserve account amounted to ₱499.8 and ₱403.8 million, respectively (see Note 12).

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.

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

	2023	2022
Balances at beginning of year	**₱55,992,604**	₱75,156,202
Amortization of transaction costs (Notes 19 and 23)	**(19,564,634)**	(19,163,598)
Balances at end of year	**₱36,427,970**	₱55,992,604

Interest expense recognized in 2023 and 2022 amounted to ₱311.7 million and ₱161.5 million, respectively (see Note 19). Interest payable amounted to ₱21.8 million and ₱23.7 million as of December 31, 2023 and 2022, 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 2023 and 2022. 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		Dividends Income (Notes 9 and 10)	Advances	Due from Related Parties (Note 8)	Dividend Receivable (Note 8)	Advances to Subsidiaries (Note 9)	Terms and Conditions
Subsidiaries	**2023**	**₱933,000,012**	**₱897,723,421**	**₱3,961,532,836**	**₱100,000,000**	**₱–**	Due on demand, noninterest-bearing, unsecured, payable in cash
		–	**–**	**–**	**–**	**44,748,182**	Noninterest-bearing, unsecured, payable in cash
	2022	445,200,006	240,460,070	3,063,809,415	–	–	Due on demand, noninterest-bearing, unsecured, payable in cash
		–	–	–	–	44,748,182	Noninterest-bearing, unsecured, payable in cash
Affiliates	**2023**	**24,900,000**	**133,431,291**	**2,573,666,872**	**264,000,000**	**–**	Due on demand, noninterest-bearing, unsecured, payable in cash
	2022	24,900,000	862,971,785	2,440,235,581	264,000,000	–	-do-
	2023	**₱957,900,012**	**₱1,031,154,712**	**₱6,535,199,708**	**₱364,000,000**	**₱44,748,182**	
	2022	₱470,100,006	₱1,103,431,855	₱5,504,044,996	₱264,000,000	₱44,748,182	

In 2022, ACR entered into a Development Agreement with Siguil, wherein Siguil agreed to pay ACR for the services in developing the Siguil project. In 2022, ACR received development fee amounting to ₱100.3 million.

Compensation of key management personnel
The compensation of the Company's key management personnel consisting of short-term employee benefits amounted to ₱3.0 million and ₱2.7 million in 2023 and 2022, respectively.

17. Equity

Capital Stock

	2023		2022	
	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
		₱6,346,500,000		₱6,346,500,000

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 2023 and 2022.

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.

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 Authorized	Number of Common 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	

As at December 31, 2023 and 2022, the Company has 447 and 449 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 and March 22, 2018, the BOD approved the reversal of appropriation amounting to ₱400 million and ₱200 million, respectively, relating to Phase 1 and 2 of the Sarangani project.

The appropriated retained earnings as of December 31, 2023 and 2022 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
2023	June 19, 2023	₱125,830,000	₱0.020	July 5, 2023	July 24, 2023
2022	June 30, 2022	125,830,000	0.020	June 30, 2022	July 23, 2022

Dividends declared on preferred shares amounted to ₱4.4 million in 2023 and 2022. In 2022, dividends on preferred shares amounting to ₱2.0 million were applied against the Company's subscriptions receivable from AC (see Note 23).

Equity Reserves
As at December 31, 2023 and 2022, equity reserves consist of the following:

	2023	2022
Unrealized gains on equity investments designated at FVTOCI (Note 11)	**₱15,107,033**	₱17,210,871
Remeasurement losses on defined benefit plan (Note 18)	**(399,302)**	(399,302)
Other reserves	**(14,049,640)**	(14,049,640)
	₱658,091	₱2,761,929

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:

	2023	2022
Balances at beginning of year	**₱15,275,474**	₱15,140,339
Retirement benefits cost charged in profit or loss	**135,135**	135,135
Benefits paid	**(2,731,220)**	–
Balances at end of year	**₱12,679,389**	₱15,275,474

The principal assumptions used in determining the retirement benefits liability as of January 1 follow:

	2023	2022
Discount rates	**5.17%**	5.17%
Rate of future increase in compensation	**10.00%**	10.00%

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:

	2023		2022	
	Increase (Decrease) in Basis Points	**Increase (Decrease) in Defined Benefit Obligation**	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
Discount rates	**100**	**(₱1,913,516)**	100	(₱1,913,516)
	(100)	**2,302,537**	(100)	2,302,537
Salary increase	**100**	**2,170,513**	100	2,170,513
	(100)	**(1,852,006)**	(100)	(1,852,006)

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

	2023	2022
More than 1 year to 5 years	**₱3,496,729**	₱3,496,729
More than 5 years to 10 years	**11,773,486**	11,773,486

The average duration of the defined benefit plan obligations as at December 31, 2023 and 2022 is 14 years.

19. Finance Charges

	2023	2022
Interest on long-term debts (Note 15)	**₱311,704,065**	₱161,502,812
Interest on short-term loans and commercial papers (Note 14)	**74,986,665**	178,665,501
Amortization of transaction costs on long-term debts (Note 15)	**19,564,634**	19,163,598
	₱406,255,364	₱359,331,911

20. Income Taxes

a. The provision for current income tax for the year ended December 31, 2022 that represents MCIT amounted to ₱996,374 (nil for the year ended December 31, 2023).

b. 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:

	2023	2022
Income tax expense at statutory income tax rate	**₱125,718,183**	₱39,787,717
Income tax effects of:		
Dividend income exempt from income tax	**(239,475,003)**	(117,525,002)
Deductible temporary differences, NOLCO and excess MCIT for which no deferred income tax assets were recognized	**118,581,897**	79,351,202
Income subjected to final tax	**(7,379,062)**	(1,769,837)
Nondeductible expenses	**2,553,985**	1,152,294
Provision for income tax	**₱–**	₱996,374

c. The components of the Company's net deferred income tax liabilities are as follows:

	2023	2022
Deferred income tax liabilities on:		
Unamortized transaction costs	**₱9,106,993**	₱13,998,151
Unrealized foreign exchange gains	**–**	2,993,972
Deferred income tax on asset on NOLCO	**(9,106,993)**	(16,992,123)
	₱–	₱–

d. 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.

	2023	2022
NOLCO	**₱1,750,293,876**	₱1,278,861,284
MCIT	**996,374**	1,092,047
Retirement benefits payable	**12,679,389**	15,275,474
Unrealized foreign exchange loss	**2,759,859**	–

e. The movements of NOLCO and excess MCIT are shown below:

	2023		2022	
	NOLCO	Excess MCIT	NOLCO	Excess MCIT
Balances at beginning of year	**₱1,346,829,776**	**₱1,092,047**	₱1,597,898,424	₱95,673
Additions	**439,892,072**	**–**	296,865,133	996,374
Expirations	**–**	**(95,673)**	(547,933,781)	–
Balances at end of year	**₱1,786,721,848**	**₱996,374**	₱1,346,829,776	₱1,092,047

Details of the Company's NOLCO are as follows:

Year Incurred	Balance as at December 31, 2022	Additions	Expiration	Balance as at December 31, 2023	Available Until
2020	₱646,974,884	₱–	₱–	₱646,974,884	2025*
2021	402,989,759	–	–	402,989,759	2026*
2022	296,865,133	–	–	296,865,133	2025
2023	–	439,892,072	–	439,892,072	2026
	₱296,865,133	₱439,892,072	₱–	₱736,757,205	

**NOLCO incurred in taxable years 2020 and 2021 can be claimed as deduction from the regular taxable income for the next five consecutive taxable years pursuant to the "Bayanihan to Recover As One Act".*

Details of the Company's excess MCIT over RCIT are as follows:

Year Incurred	Balance as at December 31, 2022	Additions	Expiration	Balance as at December 31, 2023	Available Until
2019	₱95,673	₱–	(₱95,673)	₱–	2023
2022	996,374	–	–	996,374	2025
	₱1,092,047	₱–	(₱95,673)	₱996,374	

f. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

   Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

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 below.

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.

	2023	2022
	(In Thousands)	
Cash and cash equivalents*	**₱245,762**	₱321,851
Receivables**	**6,905,650**	5,774,759
Short-term investments	**122,505**	123,725
Debt reserve account	**499,806**	403,845
	₱7,773,723	₱6,624,180

**Excluding cash on hand amounting to ₱0.003 million and ₱0.010 million in December 31, 2023 and 2022, respectively.*
***Excluding advances for business expenses and advances to officers and employees totaling to ₱8.05 million and ₱0.03 million as at December 31, 2023 and 2022, 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.

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:

	2023					
	Current			Past Due	Credit	
	Minimal Risk	Average Risk	High Risk	(1-90 Days)	Impaired	Total
Cash and cash equivalents*	₱245,762	₱–	₱–	₱–	₱–	₱245,762
Receivables**	6,905,650	–	–	–	–	6,905,650
Short-term investments	122,505	–	–	–	–	122,505
Debt reserve account	499,806	–	–	–	–	499,806
	₱7,773,723	₱–	₱–	₱–	₱–	₱7,773,723

**Excluding cash on hand amounting to ₱0.003 million.*
***Excluding advances for business expenses and advances to officers and employees totaling to ₱8.05 million.*

	2022					
	Current			Past Due	Credit	
	Minimal Risk	Average Risk	High Risk	(1-90 Days)	Impaired	Total
Cash and cash equivalents*	₱321,851	₱–	₱–	₱–	₱–	₱321,851
Receivables**	5,774,759	–	–	–	–	5,774,759
Short-term investments	123,725	–	–	–	–	123,725
Debt reserve account	403,845	–	–	–	–	403,845
	₱6,624,180	₱–	₱–	₱–	₱–	₱6,624,180

**Excluding cash on hand amounting to ₱0.010 million.*
***Excluding advances for business expenses and advances to officers and employees totaling to ₱0.03 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:

	2023			
	Stage 1 (12-Month ECL)	**Stage 2 (Lifetime ECL)**	**Stage 3 (Credit Impaired)**	**Total**
Cash and cash equivalents*	**₱245,762**	**₱–**	**₱–**	**₱245,762**
Receivables**	**6,905,650**	**–**	**–**	**6,905,650**
Short-term investments	**122,505**	**–**	**–**	**122,505**
Debt reserve account	**499,806**	**–**	**–**	**499,806**
	₱7,773,723	**₱–**	**₱–**	**₱7,773,723**

**Excluding cash on hand amounting to ₱0.003 million.*
***Excluding advances for business expenses and advances to officers and employees totaling to ₱8.05 million.*

	2022			
	Stage 1 (12-Month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	₱321,851	₱–	₱–	₱321,851
Receivables**	5,774,759	–	–	5,774,759
Short-term investments	123,725	–	–	123,725
Debt reserve account	403,845	–	–	403,845
	₱6,624,180	₱–	₱–	₱6,624,180

**Excluding cash on hand amounting to ₱0.010 million.*
***Excluding advances for business expenses and advances to officers and employees totaling to ₱0.03 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:

	2023						
	Due and Demandable	**Less than 6 Months**	**6-12 Months**	**More than 1 Year to 3 Years**	**4-5 Years**	**5 Years onwards**	**Total**
				(In Thousands)			
Financial Liabilities:							
Accrued expenses and other current liabilities*	₱68,872	₱–	₱–	₱–	₱–	₱–	₱68,872
Short-term loans**	–	3,756,342	–	–	–	–	3,756,342
Short-term commercial papers**	–	1,193,400	818,900	–	–	–	2,012,300
Long-term debts**	–	363,583	340,815	4,735,930	–	–	5,440,328
	68,872	5,313,325	1,159,715	4,735,930	–	–	₱11,277,842
Financial Assets:							
Cash and cash equivalents	245,764	–	–	–	–	–	245,764
Receivables***	6,805,650	–	100,000	–	–	–	6,905,650
Short-term investments	–	–	122,505	–	–		122,505
Debt reserve account	–	499,806	–	–	–	–	499,806
Equity investments designated at FVTOCI	–	–	–	–	–	2,252,986	2,252,986
	7,051,414	499,806	222,505	2,252,986	–	2,252,986	10,026,711
Liquidity Position (Gap)	₱6,982,542	(₱4,813,519)	(₱937,210)	(₱4,735,930)	₱–	₱2,252,986	(₱1,251,131)

**Excluding payables to government agencies and interest payable totaling to ₱59.3 million.*
***Including interest payable computed using prevailing rate as at December 31, 2023.*
****Excluding advances for business expenses and advances to employees totaling to ₱8.05 million.*

	2022						
	Due and Demandable	Less than 6 Months	6-12 Months	More than 1 Year to 3 Years	4-5 Years	5 Years onwards	Total
					(In Thousands)		
Financial Liabilities:							
Accrued expenses and other current liabilities*	₱63,038	₱–	₱–	₱–	₱–	₱–	₱63,038
Short-term loans**	–	2,813,152	–	–	–	–	2,813,152
Short-term commercial papers**	–	1,149,000	471,000	–	–	–	1,620,000
Long-term debts**	–	394,911	388,808	5,247,706	790,181	–	6,821,606
	63,038	4,357,063	859,808	5,247,706	790,181	–	₱11,317,796
Financial Assets:							
Cash and cash equivalents	321,861	–	–	–	–	–	321,861
Receivables***	5,768,045	–	6,714	–	–	–	5,774,759
Short-term investments	–	123,725	–	–	–	–	123,725
Debt reserve account	–	403,845	–	–	–	–	403,845
Equity investments designated at FVTOCI	–	–	–	–	–	2,255,090	2,255,090
	6,089,906	527,570	6,714	–	–	2,255,090	8,879,280
Liquidity Position (Gap)	₱6,026,868	(₱3,829,493)	(₱853,094)	(₱5,247,706)	(₱790,181)	₱2,255,090	(₱2,438,516)

**Excluding payables to government agencies and interest payable totaling to ₱58.56 million.*
***Including interest payable computed using prevailing rate as at December 31, 2022.*
****Excluding advances for business expenses and advances to employees totaling to ₱0.03 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:

	2023		2022	
	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	**₱317,171**	**(₱317,171)**	₱338,210	(₱338,210)

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 ₱55.37 to US$1.0 and ₱55.75 to US$1.0 for December 31, 2023 and 2022, 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.

	2023		2022	
	In U.S. Dollar	**In Philippine Peso**	In U.S. Dollar	In Philippine Peso
Financial assets:				
Cash and cash equivalents	**$18,835**	**₱1,042,894**	$28,486	₱1,588,222
Short-term investments	**2,441,742**	**135,199,255**	2,219,075	123,724,552
	$2,460,577	**₱136,242,149**	$2,247,561	₱125,312,774

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, 2023 and 2022.

The reasonably possible change in exchange rate was based on forecasted exchange rate change using historical date within the last five years as at the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2023		2022	
	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	**(₱1,362,421)**	**₱1,362,421**	(₱1,253,128)	₱1,253,128

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, 2023 and 2022. The Company met its objectives, policies or processes in 2023 and 2022.

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:

	2023	2022
Long-term debts	**₱18,183,019,243**	₱20,055,015,980
Total equity	**13,018,103,233**	12,525,992,386
Debt-to-equity ratio	**1.40:1**	1.60:1

b. Interest Coverage Ratio:

	2023	2022
Income before income tax	**₱2,566,586,317**	₱2,220,298,054
Add depreciation, amortization and interest expense	**3,011,429,968**	3,093,359,852
Add: ending cash balance	**2,429,127,715**	2,796,280,747
Total cash available for interest expense	**8,007,144,000**	8,109,938,653
Divided by aggregate principal and interest during the next period	**2,759,523,797**	4,036,786,698
	2.90:1	2.01:1

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, 2023:

	Carrying Value	**Fair Value**			
		Total	**Level 1**	**Level 2**	**Level 3**
Financial asset - Measured at fair value - Equity investment designated as FVTOCI	**₱2,252,985,905**	**₱2,252,985,905**	**₱31,717,136**	**₱–**	**₱2,221,268,769**
Financial liability - Fair value is disclosed - Long-term debts	**₱5,418,522,030**	**₱5,884,007,396**	**₱–**	**₱–**	**₱5,884,007,396**

As at December 31, 2022:

	Carrying Value	Fair Value Total	Level 1	Level 2	Level 3
Financial asset - Measured at fair value - Equity investment designated as FVTOCI	₱2,255,089,743	₱2,255,089,743	₱33,820,974	₱–	₱2,221,268,769
Financial liability - Fair value is disclosed - Long-term debts	₱5,884,007,396	₱5,894,843,798	₱–	₱–	₱5,894,843,798

During the years ended December 31, 2023 and 2022, 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, short-term loans and short-term commercial papers
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, 2023, and 2022, the Company's investment in unquoted equity investments is measured at fair value using the adjusted net asset value approach as of December 31, 2023 and 2022, respectively (see Note 11). 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, 2023:

Significant unobservable inputs	**Inputs**	**Increase (Decrease)**	**Amount (in millions)**
Average price per square meter for real estate properties	**₱96,000**	**+1%**	**₱15**
		-1%	**(15)**
Multiplier to arrive at the estimated net realizable value for real estate inventories	**2.11 times**	**+1%**	**17**
		-1%	**(17)**
Discount for lack of control and marketability	**10%**	**+5%**	**(239)**
		-5%	**251**

As at December 31, 2022:

Significant unobservable inputs	Inputs	Increase (Decrease)	Amount (in millions)
Average price per square meter for real estate properties	₱121,000	+1%	₱18
		-1%	(18)
Multiplier to arrive at the estimated net realizable value for real estate inventories	2.22 times	+1%	74
		-1%	(74)
Discount for lack of control and marketability	10%	+5%	(235)
		-5%	254

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, 2023 and 2022, rates used ranged from 5.43% to 8.15%.

23. Notes to Statements of Cash Flows

Reconciliation of the movement of liabilities arising from financing activities as at and for the years ended December 31 are as follows:

	2023				
	Short-term loans	**Short-term commercial papers**	**Long-term debts**	**Interest Payable**	**Dividends Payable**
Beginning balance	**₱2,794,099,417**	**₱1,576,622,383**	**₱5,884,007,396**	**₱42,757,206**	**₱6,056,172**
Cash movements:					
Availment of additional debt	**4,359,783,571**	**2,529,000,000**	**–**	**–**	**–**
Settlement	**(3,428,585,860)**	**(2,210,043,743)**	**(485,050,000)**	**(376,597,382)**	**(130,230,000)**
Noncash movements:					
Amortization of debt issue costs	**–**	**–**	**19,564,634**	**–**	**–**
Interest expense, excluding discount and debt issue cost	**–**	**–**	**–**	**386,690,730**	**–**
Dividend declaration	**–**	**–**	**–**	**–**	**130,230,000**
Ending balance	**₱3,725,297,128**	**₱1,895,578,640**	**₱5,418,522,030**	**₱52,850,554**	**₱6,056,172**

	2022				
	Short-term loans	Short-term commercial papers	Long-term debts	Interest Payable	Dividends Payable
Beginning balance	₱1,570,535,030	₱1,943,104,063	₱5,894,843,798	₱29,034,417	₱6,056,172
Cash movements:					
Availment of additional debt	2,794,099,417	1,885,000,000	–	–	–
Settlement	(1,570,535,030)	(2,251,481,680)	(30,000,000)	(326,445,524)	(128,213,336)
Noncash movements:					
Amortization of debt issue costs	–	–	19,163,598	–	–
Interest expense, excluding discount and debt issue cost	–	–	–	340,168,313	–
Application of dividends to subscriptions receivable (Note 17)	–	–	–	–	(2,016,667)
Dividend declaration	–	–	–	–	130,230,003
Ending balance	₱2,794,099,417	₱1,576,622,383	₱5,884,007,396	₱42,757,206	₱6,056,172

24. 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 2022:

Value-added Tax (VAT)

a. The Company is a VAT-registered company. However, the Company did not have any output VAT declaration during the year.

b. 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, 2023	₱6,437,266
Current year's transactions:	
Domestic purchases of services	117,037
Domestic purchases of goods other than capital goods	1,744,657
Balance as at December 31, 2023	₱8,298,960

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, 2023:

Documentary stamp tax	₱23,577,192
Annual listing maintenance fee	490,737
Business permits and licenses	16,530
Annual registration fee	500
Others	7,575
	₱24,092,534

Withholding Taxes

	Paid	Accrued
Final withholding taxes	₱61,834,819	₱3,077,144
Expanded withholding taxes	5,605,455	3,227,649
Withholding taxes on compensation	1,278,077	120,497

Tax Assessments and Cases

The Company has no final tax assessments and cases pending before the BIR as at December 31, 2023. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2023.

Exhibit 2

SUPPLEMENTARY SCHEDULES
DECEMBER 31,2023

Schedule A: Financial Assets
For the year Ended December 31,2023

Name of Issuing Entity and Description of Each Issue	No. of Shares	Amounts Shown in the Balance Sheet	Valued Based on Market Quotations at Balance Sheet Date	Interest and Dividend Income Received and Accrued
Short-term deposit (cash equivalents)				
Peso denominated short term deposit		255,557,648		10,571,237
U.S. Dollar denominated short term deposit		135,680,250		4,970,643
		391,237,898		**15,541,879**
Short-term cash investments				
U.S. Dollar denominated short term investments		122,505,384		-
Peso denominated short term investments		-		-
		122,505,384		-
Equity investments designated at FVOCI				
Philodrill	566,720,000	4,307,072	4,307,072	
Seafront	15,544,911	26,115,450	26,115,450	
Globe Telecom	1,013	1,294,614	1,294,614	
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	
	625,535,206	**2,353,235,905**	**2,353,235,905**	
TOTAL FINANCIAL ASSETS	**625,535,206**	**2,866,979,187**	**2,353,235,905**	**15,541,879**

SCHEDULE B – Accounts Receivable from Directors,Officers,Employees,Related Parties and Principal Stockholders
(Other than Affiliates)
For the Year Ended December 31, 2023

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
ACR								
Galila, Glenn	R	4,000		4,000				-
Espanol, Benjamin	R	22,500		22,500				-
Gomez, Michelle	R	2,000		2,000				-
		28,500	-	28,500	-	-	-	-
Alsons Land Corporation								
Saliba, Cecille	R	13,000		13,000				-
Balboa, Ace Benedict	R	10,116		10,116				-
Batalla, Rechelle	R	98,500		98,500				-
Billote, Juvylet Joy	R	87,580		87,580				-
Eugenio, Nina Khrisnamae R.	R	351		351				-
Others	R	44,203		44,203				-
Legarte, Camelle	R	500		500				-
Manalo, Lawi	R	2,000		2,000				-
Roa, Susan V.	R	75		75				-
		256,325	-	256,325	-	-	-	-
Sarangani Energy Corporation								
Abueva, Denie B.	R	300	98,288	300				98,288
Adlawan, Felipe C. III	R	51,102		1,413				49,689
Alboroto, Joseph T.	S	90,408		75,969				14,439
Alcala, Cris Mae Rose C.	R	829	74,406	829				74,406
Alforque, Roel B.	R	300	31,894	300				31,894
Almazan, Rodjeck M.	R	27,750		27,450				300
Alquino, Edison L.	R	750	138,808	750				138,808
Amador, Cris Amel E.	R	300	91,856	300				91,856
Amador, Juric E.	R	187,376		83,510				103,866
Ancheta, Aldhan B.	R	300		300				-
Apondar, Reynante T.	R	36,449		31,242				5,207
Aquino, Ralph Benigno S.	S	79,980	65,363					145,343
Arcolar, Warlito B.	R	750		750				-
Argut, Mary Joy N.	R	1,000	18,618	1,000				18,618
Arocha, Riel R. Sr.	R	600		600				-
Asentista, Al King L.	R	6,842		6,272				570
Asuero, Fritz B.	R	2,666	20,585	2,666				20,585
Atas, Adrian B.	R	24,000		15,750				8,250
Aton, Joel E.	M	2,310	220,000	188				222,122
Bagarinao, Shane L.	R	93,304		77,069				16,235
Baguio, Lindsey D.	R	95,833		50,000				45,833
Bandi-anon, Jay-ar T.	R	300		300				-
Banse, Emerald B.	R	500		500				-
Batac, Irene G.	R	88,478		34,035				54,443
Beljeda, Efren Caesar C.	R	69,710		69,670				40
Bitong, Jason Silverio B.	R	51,468		617				50,851
Bucol, Jason A.	R	300		300				-
Buctuan, Jaime B. Jr.	R	1,200	41,678	1,200				41,678
Bulat-ag Elgie Gay	R		1,650					1,650
Cabalhug, Alick Nikuv Antonio A.	R	300		300				-
Cabarce, Isagane C.	R	7,256	1,669					8,925
Camara, Jimmy D.	R	180,224		180,224				-
Camara, Ramil O.	R	24,006	7,661					31,667
Caminero, George L.	R	12,000	812					12,812
Caminse, Ria Mae C.	R		85					85
Campos, Lyh Benzyl C.	R	97,522		69,799				27,723
Canonigo, Efren Jr.	S	300		300				-
Cantaros, Joel L.	R	300		300				-
Capilitan, Angel Renaleh B.	R	1,838		1,838				-
Capulinas, Rhode B.	R	300	9,365	300				9,365
Carpentero, Ryan P.	R	-	2,494					2,494
Cereno, Aiza L.	R	91,721	16,097					107,818
Chan, Richie P.	R	300		300				-
Cobol, Christine Juvin A.	R	246		246				-
Cotanda, Ramil E.	R	300	36,284	300				36,284
Cuasito, Bernabe R.	R	3,600						3,600
Dableo, John H.	R	300	69,800	300				69,800
Dabon, Bambi M.	R	300		300				-
Dalaguan, Marlon M.	R	262,819		61,610				201,209
Dalingay, Michael A.	R	8,356		8,356				-
Danao, Arc Dio G.	R	85,910		73,850				12,060
David, Jeomar R.	R	1,800		1,800				-
De Jesus, Cyngrade V.	R	74,357		74,319				38
Defante, Charmagne Joy	R	173,548		64,794				108,754
Del Rosario, Paul Richard M.	R	69,574		9,651				59,923
Dela Baryo, Lino L.	R	4,206	79,394	4,206				79,394
Delos Santos, Joel E.	S	55,893		47,529				8,364
Dema-ala, Leonelo L.	R	94,658		49,043				45,615
Denolan, Ronald C.	R	750		750				-
Donato, Benna Jayne A.	R	500		500				-
Dulay, Geovani S.	R	750		750				-
Ebrahim, Haron G.	R		4,234					4,234
Ensomo, Edsel P.	R	130,442	299,782					430,224
Eslaban, Stephen Jay B.	R	194,797		46,741				148,056

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Espanol, Benjamin Jr.	S	304,878		53,916				250,962
Espra, Marvin B.	R	7,100		250				6,850
Estorque, Mary Jane P.	S	107,393		95,192				12,201
Fababier, Awardson	R	99,664		73,768				25,896
Felisilda, Jennifer M.	R	-	2,634					2,634
Flauta, Allan S. Jr.	R	11,400						11,400
Florada, Beverly Ann I.	R	6,667	10,000	6,667				10,000
Flores, Erick R.	R	300	419,570	300				419,570
Flores, Ludy C.	R	140,473		140,473				-
Gabas, Ramon Caezar P.	R	750		750				-
Garcia, Renante M.	R	319,500	57,015	56,489				320,026
Gaturian, Kimberly T.	R	4,483						4,483
Gerolaga, Jim Paul T.	R	25,286		23,106				2,180
Gimpayan, Jer-Michael F.	R	750		750				-
Glang, Victor N.	R	131,010		34,033				96,977
Gloria, Danilo R.	R	5,584		5,584				-
Go, Merk Henley D.	R		397,545					397,545
Gregorio, Mark Oliver	R	37,703		13,565				24,138
Honor, Mark Timothy B.	R	196,398		159,488				36,910
Imalay, Alex C.	R	14,500	113,442	14,500				113,442
Infante, Russell A.	R	63,986		29,849				34,137
Lacapag, Ronnie H.	R	300	42,109	300				42,109
Laforteza, Aura Shane A.	R	300		300				-
Lapining, Mark L.	R	300		300				-
Ledesma, Rochie H.	R	132,831		54,934				77,897
Legaspi, Lovely Jane Abigael F.	R	151,966		107,939				44,027
Lepardo, Frederick S.	R	15,710	2,127					17,837
Linao, Ludy Mae F.	R		137,557					137,557
Linogao, Jeed R.	S	75,155	371,390					446,545
Llamas, Robert R.	R	324	4,808	324				4,808
Loking, Nelson C.	R	128,527		87,416				41,111
Lomongo, Jynelle Q.	R	57,292		52,084				5,208
Lopez, Margie M.	R	500		500				-
Lopez, Richard Mark	R		30					30
Lopez, Rocher D.	S	110,404						110,404
Lumongsod, Pio Bryan S.	R	37,045		37,045				-
Macagcalat, Rajiv S.	R	42,450		36,500				5,950
Madres, Mark Lister C.	R	223,990		70,859				153,131
Mahinay, Ronald M. Sr.	R	300		300				-
Majaducon, Ryan Jay E.	R	10,413	44,741					55,154
Maningo, Charmaine Joyce S.	R	160,367	472,340	160,367				472,340
Manon-og, Janine	R		1,039					1,039
Manrique, Dulce Rosario	R		4,017					4,017
Mansing, Arvin Jay B.	R		448					448
Mediavilla, Argie C.	R	1,753	15,542	1,753				15,542
Mediavilla, Ariel C.	R	7,462		7,462				-
Megrenio, Mary Shower M.	S	255,624	50,075	124,193				181,506
Megrenio, Renante P.	S	52,082	394,051	52,082				394,051
Memoria, Maribel T.	R		13,145					13,145
Mercado, Elsa J.	M	2,149	90,119	2,149				90,119
Miano, Nicher B.	R	750	16,749	750				16,749
Molinos, Jose Rey L.	R	87,970		72,531				15,439
Monreal, Sidney C.	R	600		600				-
Monterde, Joel F.	R	800		300				500
Morante, Harley Marvin C.	R	159,533		98,709				60,824
Moreno, Gilbert John B.	R	300		300				-
Moya, Paul Anthony P.	R	62,132		42,435				19,697
Nale, Charlito D.	R	242,359		63,759				178,600
Navalta, Ramon B. Jr.	R	300		300				-
Ng, Krystle Shane	R	1,000						1,000
Ofracio, Roy Edgar D.	R	300	21,627	300				21,627
Ola-a, Michael C.	R	300		300				-
Orellanida, Kirbie B.	R	58,043		38,532				19,511
Others	R	405,208	461,703	398,355				468,556
Pademal, Aubrey Kiara B.	R	300		300				-
Palma, Mifel Japely S.	R	147,778		71,986				75,792
Panogaling, Marlon S.	R		17,500					17,500
Paramo, Joel G.	S	313,186		60,368				252,818
Parantar Jr., Simplicio B.	R	-						-
Parrenas, Gilbert Q.	R	300		300				-
Pasion, Romiro V.	S	319,567		51,912				267,655
Pastores, Jay Ryan R.	R		40,833					40,833
Pat, Allan P.	R	750		750				-
Pechon, Ceferino R.	R	14,644		14,644				-
Pecolados, Randy	R	33,344		31,563				1,781
Peconcillo, Rolando T. Jr.	R	300		300				-
Pedrosa, Joel Allan C.	R	300		300				-
Pepano, Sylvette Rose C.	R		18,000					18,000
Perez, Nonito R.	R	26,093	31,500	26,093				31,500
Pol, Ran Gel T.	R	-	29					29
Presbitero, Feljun B.	R	750		750				-
Puas, Norguiadz S.	R	9,923						9,923
Rebucas, Hazel D.	R	26,200		26,200				-
Rendon, Michael D.	R	12,184		10,699				1,485
Rosacena, Welmer P.	R	4,132	419,707	4,132				419,707
Rulete, Abbey Joules Keith L.	R	300		300				-
Salihol, Edna L.	R	10,838	13,500	10,838				13,500
Salvatierra, Glenn Ariel M.	R	300		300				-
Samson, Earl John T.	R	20,664	17,532					38,196
Sarmiento, Jonald B.	R	300	11,776	300				11,776
Sayco, Donnard R.	R	500						500

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Seno, Seth S.	S	32,850	9,678					42,528
Silva, Justine Jose Allan P.	S	313,691	160,205					473,896
Sobretodo, Angelito O.	R	11,283		11,283				-
Son, Reynold Y.	R	1,300		1,300				-
Soterio, Amalia A.	R	28,000		28,000				-
Suarez, Laurenz Julian	R	37,500						37,500
Sugal, Fredie C.	R	23,635	96,154					119,789
Suan, Alex M.	R	21,252	45,028					66,280
Sun, Elan Jay L.	R	141,646	1,684	72,873				70,457
Tacsan, Eric A.	R	300		300				-
Tagalogon, Harley J.	R	300	411,265	300				411,265
Talaugon, Billy D.	R	90,147		44,974				45,173
Tandoy, Reggie S.	R	41,250		40,950				300
Tapan, Eiffel Germaine G.	R		19,726					19,726
Tesoro, Bernalita D.	R	4,320						4,320
Tito, Janaisha Bai M.	S	75,795		75,755				40
Valdehueza, Halley Bryan P.	S	71,304	455,735	71,304				455,735
Visitacion, Jade M.	R	-	47,436					47,436
Vivo, Melanie A.	R	320,342		320,342				-
Zuriaga, Kristian T.	R	41,746	12,000	23,050				30,696
		8,658,251	6,303,934	4,406,810	-	-	-	10,555,375

ACES TECHNICAL SERVICES CORPORATION

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Bambalan, Anna Lyn S.	R	2,500		2,500				-
		2,500	-	2,500	-	-	-	-

SOUTHERN PHILIPPINES POWER CORPORATION

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Basalo, Alexander S.	R	171		171				-
		171	-	171	-	-	-	-

WESTERN MINDANAO POWER CORPORATION

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Aguilar, Dennis M.	R	216,957		64,152				152,805
Alcantara, Nicasio I	O		500,000					500,000
Aranton, Raymond Roy O.	R	222,129		63,833				158,296
Banaag, John P.	S	25,000	429,121	25,000				429,121
Banaag, Ma. Melissa Margaret A.	S	145,260		24,144				121,116
Basilio, Albert B.	S	12,500	14,583	12,500				14,583
Cabug-os, Danilo C	R		232,372					232,372
Camacho, Chester Jan D.	R	22,098		22,098				-
Camara, Virgilio . C	R		22,390					22,390
Candido, Arnel P.	R	32,000		32,000				-
Castro, Rosnina S.	M	40,833	46,023	40,833				46,023
Catis, Marjoellyne P	R		78,920					78,920
Celso, Precious Irene A.	R		680					680
Concepcion, Marilen V	R		21					21
Dauba, Cesar T. Jr.	R	168,744		69,484				99,260
De Gracia, Jess Marrion L	S		374,754					374,754
Ecla, Ma. Arlene A.	R	48,300	418,737	48,300				418,737
Enriquez, Shyrleen C.	R	12,750	37,542	12,750				37,542
Espinosa, Joy F.	S	280,027		64,119				215,908
Gallano, Jayson R	R		54,972					54,972
Garcia, Aimee Grace A.	R	6,624		6,624				-
Guadalupe, Rogelio Jr. H	R	16,750	18,000	16,750				18,000
Guevara, Alvin C.	R	320,064		320,064				-
Guevara, Jasmine S.	R	10,000		10,000				-
Guevarlo, Alvin C	R		252,604					252,604
Labor, Manolo T.	R		2,719					2,719
Lacastesantos, Jowi F	R		10,500					10,500
Llorente, Thesalonica T.	R	15,000	22,420	15,000				22,420
Lozano, Teresita B	R		3,517					3,517
Lualhati, Regieneer B	R		17,500					17,500
Mateo, Neil L.	R		19,687					19,687
Monteron, Leonil L.	S	229,400	266,025	229,400				266,025
Others	R		24,200					24,200
Perez, Michael Jordan A.	R		10,070					10,070
Revantad, Amedeo E	S	101,790		71,951				29,839
Simbulan, Sharon G	R		7,500					7,500
Torres, Nikko Ronnel C.	R		14,400					14,400
Tungpalan, Ruben G	R		60,093					60,093
Uson, Victor P.	R	210,202		67,988				142,214
		2,136,429	2,939,352	1,216,990	-	-	-	3,858,791

Conal Holdings Corporation

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Camara, Jimmy D.	R		159,224					159,224
Celso, Precious Irene A.	R		4,756					4,756
Delos Reyes, Darie	R		22,390					22,390
Despabiladeras, Alma Q	R		400,451					400,451
Dioquino, Michelle Chantrelle	R		14,200					14,200
Guintu, Aldwin Q.	R		8,730					8,730
Lara, Maria Jiji Q.	R		666,277					666,277
Olvida, Casimiro V.	R		54					54
Others	R	7,259		7,259				-
Pepaño, Sylvette Rose C.	R		456,461					456,461

Name and Designation		Beginning Balance	Additions	Collected	Written-off	Current	Non-Current	Ending Balance
Santillan Jr., Tirso G. Santillan Jr.	R		7,259					7,259
Sasis, Orville I.	R		15,503					15,503
Simbulan, Winnie A.	R		168,364					168,364
Sobretodo, Angelito O.	R		8,443					8,443
Soterio, Amalia A.	R		407,992					407,992
Vivo, Melanie A.	R		266,070					266,070
		7,259	2,606,174	7,259	-	-	-	2,606,174
MAPALAD POWER CORPORATION								
Abejo, Sherwin L.	R	13,466		13,466				-
Bontuyan, Rodel F.	R	3,579		3,579				-
Chambers, Clint Robert L.	R	16,831		16,831				-
Deloa Reyes, Darie L.	R	28,647		28,647				-
Dolorican, Judy S	R	51,171		51,171				-
Ranido, Judy Ann T.	R	32,200		32,200				-
		145,894	-	145,894	-	-	-	-
KAMANGA								
Mirasol, Glyzah Mae T.	R	46,800		46,800				-
Bernal, Jerlyn L.	R	50,000		50,000				-
Allawan, Maximiano F.	R	42,000		42,000				-
Imperial, John Eric Francis	R		1,846					1,846
Arabe, Edward Ferdinand	R		40,000					40,000
Batalia, Rechelle S.	R	2,000		2,000				-
Pacheco, Pauline Aubrey	R		37,210					37,210
Tumala, Laura	R		6,000					6,000
Alayon, Renna Mae P.	M	48,124		18,925				29,199
		188,924	85,056	159,725	-	-	-	114,255
SIGUIL HYDRO POWER CORP.								
Gasque, Mohajirah A.	R	30,814		30,814				-
Tejero, Arvin B.	R		500					500
Corrales, Fernando V.	R		3,000					3,000
Perez, Darwin Ralph	R		450					450
Danao, Arc Dio G.	R	52,395		46,101				6,294
Baltran, Marie Duenne	R		10,380					10,380
Lapatha, Marjorie A.	R		8,238					8,238
Manlangit, Norman	R	117,235		72,312				44,923
Serato, Edward P.	R	120,000	14,250					134,250
Murillo, Renie T.	R	110,293		110,293				0
Paras, Kahrenn Bilz A.	R	6,038	381,995	6,038				381,995
Lopez, Rocher	R		3,000					3,000
Sabado, Sherrie Lyn	R		11,079					11,079
Estorque, Mary Jane	R		67,574					67,574
Bagarinao, Shane	R		1,935					1,935
Mangansakan, Sitie Hindera	R		23					23
Aquino, Marlon	R	237,493		62,858				174,635
		674,267	502,424	328,416	-	-	-	848,275
SINDANGAN ZAMBO RIVER POWER CORP.								
Mary Sweet A. Reyes	R	-	479					479
Francis Ruther C. Icao	R	-	240					240
Joseph E. Buenbrazo	R	-	8,333					8,333
Llewellyn R. Lisondra	R	287,076		59,800				227,276
		287,076	9,052	59,800	-	-	-	236,327
TOTAL		12,385,597	12,445,992	6,612,391	-	-	-	18,219,199

Designation

R – Rank and File
S – Supervisory
M – Manager
O – Officer (Executive Office & Vice President)

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 31,2023

Entity with Receivable Balance	Amount
Alsons Consolidated Resources, Inc.	
Alsons Land Corporation	7,935,891
MADE (Market Developers), Inc.	4,517,266
Kamanga Agro-Industrial Ecozone Development Corporation	51,496,955
Mapalad Power Corporation	903,944,081
Bago Hydro Resources Corp.	106,537,476
Alsons Renewable Energy Corporation	246,250,000
Siguil Hydro Power Corporation	2,867,673,245
Sindangan Zamro-River Power Corp.	183,039,558
WMPC	1,541
Conal Corporation	27,355,640
Alsons Thermal Energy Corporation	
San Ramon Power Incorporated	465,694,927
Sarangani Energy Corporation	
Alsons Land Corporation	4,178,528
Alsons Power Supply Corporation	234,851
Sindangan Zambo-River PowerCorporation	1,085,572
ACES Technical Services Corporation	5,560
Alsons Thermal Energy Corporation	5,993
Mapalad Power Corporation	2,764,923
Southern Philippines Power Corp.	43,919
Alto Power Management Corp.	29,357
BAGO HYDRO RESOURCES CORPORATION	206,712
Conal Holdings Corp.	172,429
Siguil Hydro Power Corporation	15,736,758
Western Mindanao Power Corp.	647,669
ACES Technical Services Corporation	
Alsons Thermal Energy Corporation	7,500
Alsons Renewable Energy Corporation	
Kalaong Hydro Power Corporation	2,948,019
Sindangan Zambo-River Power Corporation	2,275
ALSONS RENEWABLE RESOURCES CORP.	170,749
Siguil Hydro Power Corporation	
Alsons Energy Development Corporation	1,757,048
Bago Hydro Resources Corporation	35,800
Kalaong Hydro Power Corporation	2,250,078
Sindangan Zambo-River Power Corporation	334,501
Alsons Renewable Energy Corporation	408,417
Mapalad Power Corporation	702,793
Sarangani Energy Corporation	149,163
Southern Philippines Power Corporation	7,681
Western Mindanao Power Corporation	3,518

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 31,2023

Entity with Receivable Balance	Amount
Sindangan Zambo-River Power Corporation	
Alsons Power Supply Corporation	14,714
Bago Hydro Resources Corporation	66,068
Alto Power Management Corporation	-
Alsons Consolidated Resources, Inc.	6,322,430
Alsons Power Holdings Corp.	357,968
Alsons Power Supply Corporation	900
Mapalad Power Corporation	70
Conal Holdings Corporation	
Alsing Power Holdings, Inc.	400
Alto Power Management Corp.	24,613
Alsons Power Supply Corporation	23,424
Alsons Renewable Energy Corp.	13,144
Kamanga Agro-Industrial Ecozone Development Corp.	10,500
Mapalad Power Corp.	130,556
Sarangani Energy Corp.	197,545
Siguil Hydro Power Corp.	19,826
San Ramon Power,Inc.	15,159
Sindangan Zambo-River Power Corp.	13,327
Western Mindanao Power Corp.	467,428
Mapalad Power Corporation	
ACES TECHNICAL SERVICES CORPORATION	217
Alsons Consolidated Resources, Inc.	2,753,804
Alto Power Management Corp.	20,300,000
Alsons Power Supply Corporation	89,953
Alsons Thermal Energy Corporation	1,061
Bago Hydro Resources Corporation	471
Sarangani Energy Corp.	8,462
Siguil Hydro Power Corp.	131,501
Sindangan Zambo-River Power Corp.	5,254
Southern Philippines Power Corp.	2,596
Western Mindanao Power Corp.	1,104
Southern Philippines Power Corporation	
Kalaong Hydro Power Corp.	5,669
Mapalad Power Corporation	1,067,484
Sarangani Energy Corp.	7,239
Siguil Hydro Power Corp.	11,717
SINDANGAN ZAMBO-RIVER POWER CORPORATION	3,980
Western Mindanao Power Corp.	19,957
Western Mindanao Power Corporation	
Alsons Consolidated Resources, Inc.	2,326
Alto Power Management Corp.	10,128
Alsons Power Supply Corporation	86,425
ACES TECHNICAL SERVICES CORPORATION	140,243

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 31,2023

Entity with Receivable Balance	Amount
Bago Hydro Resources Corporation	82,758
Conal Holdings Corp.	11,640,643
Kalaong Hydro Power Corp.	8,260
Mapalad Power Corporation	1,171,097
Sarangani Energy Corp.	922,970
Siguil Hydro Power Corp.	942,801
Southern Philippines Power Corp.	13,504
Sindangan Zambo-River Power Corporate	77,515
Kamanga Agro-Industrial Ecozone Development Corporation	
SARANGANI ENERGY CORPORATION	962,969
ALSONS LAND CORPORATION	26,500,000
Alsons Land Corporation	
Conal Holdings Corporation	1,481,636
Western Mindanao Power Corporation	246,427
MADE (Market Developers) Inc.	12,331,046
Alsons Power Supply Corporation	
Conal Holdings Corporation	2,132
Mapalad Power Corporation	1,421
Sarangani Energy Corporation	70,999
Siguil Hydro Power Corporation	711
Sindangan Zambo-River Power Corporation	711
Western Mindanao Power Corporation	3,553

Intangible Assets – Other Assets
For the Year Ended December 31, 2023

Intangible Assets	Beginning Balance	Deduction	Impairment	Addition	Amortization	Revaluation	Ending Balance
Computer Software	11,877,727			100,000	(3,222,573)		8,755,154
Goodwill	527,187,320						527,187,320
	539,065,047	**-**	**-**	**100,000**	**(3,222,573)**	**-**	**535,942,474**

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Schedule D: TOTAL DEBT
For the Year Ended December 31,2023

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			677,950,000	3,984,776,912	4,662,726,912
Seven-year fixed rate corporate note			23,550,000	732,245,118	755,795,118
DEVELOPMENT BANK OF THE PHILS.	300,000,000				300,000,000
RCBC TRUST AND INVESTMENT GROUP	79,000,000				79,000,000
RCBC TRUST AND INVESTMENT GROUP	107,000,000				107,000,000
MISSIONARY SISTERS OF IMMACULATE HEART	15,519,958				15,519,958
RCBC TRUST & INVESTMENT GROUP	46,500,000				46,500,000
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.	14,539,939				14,539,939
ST LOUIS SCHOOL INC	7,462,592				7,462,592
ST. AUGUSTINE'S SCHOOL INC.	14,109,253				14,109,253
STELLA MARIS COLLEGE	5,978,148				5,978,148
CHRIST THE KING COLLEGE	6,358,088				6,358,088
PCCI TRUST AND INVESTMENT GROUP	85,000,000				85,000,000
RCBC TRUST AND INVESTMENT GROUP	40,500,000				40,500,000
RCBC TRUST AND INVESTMENT GROUP	136,000,000				136,000,000
RCBC TRUST AND INVESTMENT GROUP	23,000,000				23,000,000
RCBC TRUST AND INVESTMENT GROUP	190,000,000				190,000,000
RCBC TRUST AND INVESTMENT GROUP	107,000,000				107,000,000
PCCI TRUST AND INVESTMENT GROUP	5,454,859				5,454,859
PCCI TRUST AND INVESTMENT GROUP	25,764,481				25,764,481
PCCI TRUST AND INVESTMENT GROUP	55,000,000				55,000,000
PCCI TRUST AND INVESTMENT GROUP	15,000,000				15,000,000
THE CORPORATE PARTNERSHIP FOR MGMT IN BUSINESS	30,000,000				30,000,000
MIB CAPITAL CORPORATION	20,000,000				20,000,000
RCBC TRUST AND INVESTMENT GROUP	118,800,000				118,800,000
MIB CAPITAL CORPORATION	35,000,000				35,000,000
PCCI TRUST AND BANKING GROUP	1,184,156				1,184,156
RCBC TRUST AND INVESTMENT GROUP	64,000,000				64,000,000
RCBC TRUST AND INVESTMENT GROUP	40,000,000				40,000,000
PCCI TIG AS INVESTMENT MANAGER	16,574,380				16,574,380
PCCI TIG AS INVESTMENT MANAGER	20,000,000				20,000,000
PCCI TRUST AND INVESTMENT GROUP	10,000,000				10,000,000
PCCI TRUST AND INVESTMENT GROUP	109,931,276				109,931,276
PCCI TRUST AND INVESTMENT GROUP	5,000,000				5,000,000
THE CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS	30,620,000				30,620,000
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	175,000,000				175,000,000
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	79,000,000				79,000,000
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	76,000,000				76,000,000
PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	87,000,000				87,000,000
STERLING BANK OF ASIA TRUST GROUP	15,000,000				15,000,000
STERLING BANK OF ASIA TRUST GROUP	6,000,000				6,000,000
MULTINATIONAL FOUNDATION INC.	15,000,000				15,000,000
PCCI TRUST AND INVESTMENT GROUP (TAX EXEMPT)	20,000,000				20,000,000

	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
	PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	345,000,000				345,000,000
	PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	100,000,000				100,000,000
	PRIVATE EDUCATION RETIREMENT ANNUITY ASS. (P.E.R.A.A) PLAN	15,000,000				15,000,000
	RCBC TRUST AND INVESTMENT GROUP	32,000,000				32,000,000
	PCCI TRUST & INVESTMENT GROUP	81,000,000				81,000,000
	PCCI TRUST & INVESTMENT GROUP	30,000,000				30,000,000
	PCCI TRUST & INVESTMENT GROUP	61,000,000				61,000,000
	PHILIPPINE BANK OF COMMUNICATIONS (PBCOM)	50,000,000				50,000,000
	RCBC TRUST & INVESTMENT GROUP	50,000,000				50,000,000
	RCBC TRUST & INVESTMENT GROUP	3,000,000				3,000,000
	RCBC TRUST & INVESTMENT GROUP	234,700,000				234,700,000
	RCBC TRUST & INVESTMENT GROUP	14,500,000				14,500,000
	RCBC TRUST & INVESTMENT GROUP	5,000,000				5,000,000
	RCBC TRUST & INVESTMENT GROUP	6,000,000				6,000,000
	RCBC TRUST AND INVESTMENT GROUP	100,000,000				100,000,000
	RCBC TRUST AND INVESTMENT GROUP	125,000,000				125,000,000
	RCBC TRUST AND INVESTMENT GROUP	25,000,000				25,000,000
	RCBC TRUST AND INVESTMENT GROUP	194,800,000				194,800,000
						0
	RCBC TIG AS INVESTMENT MANAGER OF TA 100003252		19,168,600			19,168,600
	PCCI TIG AS INVESTMENT MANAGER FOR IMA 2339		958,430			958,430
	Philippine Veterans Bank Trust and Asset Management Group FAO TA 445040000551		2,012,703			2,012,703
	CONGREGATION OF THE MOST HOLY REDEEMER		2,875,290			2,875,290
	Knights of Columbus Fraternal Association of the Philippines Inc		18,689,385			18,689,385
	PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335		9,584,300			9,584,300
	MULTINATIONAL FOUNDATION INC		9,584,300			9,584,300
	JULIAAN MULLIE FOUNDATION INC		958,430			958,430
	PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9052		958,430			958,430
	CITYSTATE SAVINGS BANK INC TRUST DEPT FAO IMA NO 093220000035		766,744			766,744
	CITYSTATE SAVINGS BANK INC TRUST DEPT FAO IMA NO 093220000233		958,430			958,430
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310026534		9,296,771			9,296,771
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031265		1,821,017			1,821,017
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031264		16,101,624			16,101,624
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310028323		1,821,017			1,821,017
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031268		4,696,307			4,696,307
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310028956		9,296,771			9,296,771
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310015008		3,258,662			3,258,662
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310028578		4,696,307			4,696,307
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031266		1,821,017			1,821,017
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031065		3,737,877			3,737,877
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310030899		2,300,232			2,300,232
	PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031267		1,821,017			1,821,017
	RCBC TIG AS INVESTMENT MANAGER OF TA 100001200		13,418,020			13,418,020
	RCBC TIG AS INVESTMENT MANAGER OF TA 51541238321		23,960,750			23,960,750
	RCBC TIG AS INVESTMENT MANAGER OF TA 51540150270		1,437,645			1,437,645
	RCBC TIG AS INVESTMENT MANAGER OF TA 51540150270		958,430			958,430
	RCBC TIG AS INVESTMENT MANAGER OF TA 100003224		1,916,860			1,916,860
	RCBC TIG AS INVESTMENT MANAGER OF TA 51540099488		958,430			958,430
	OTHERS		1,150,116			1,150,116
	RCBC TIG AS INVESTMENT MANAGER OF TA 51540137517		4,792,150			4,792,150
	PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9316		958,430			958,430

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
RCBC TIG AS INVESTMENT MANAGER OF TA 100003160		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100001238		2,875,290			2,875,290
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098333		9,584,300			9,584,300
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102667		1,916,860			1,916,860
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9290		1,437,645			1,437,645
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240016		2,875,290			2,875,290
RCBC TIG AS INVESTMENT MANAGER OF TA 51540124660		479,215			479,215
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236582		5,750,580			5,750,580
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9619		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100003260		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100003255		3,833,720			3,833,720
RCBC TIG AS INVESTMENT MANAGER OF TA 51540227206		11,021,945			11,021,945
RCBC TIG AS INVESTMENT MANAGER OF TA 100000766		958,430			958,430
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8856		2,875,290			2,875,290
RCBC TIG AS INVESTMENT MANAGER OF TA 100001011		2,396,075			2,396,075
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101865		2,396,075			2,396,075
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138238		1,150,116			1,150,116
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9620		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540070382		1,916,860			1,916,860
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9621		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540145218		11,597,003			11,597,003
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241888		4,792,150			4,792,150
OTHERS		4,792,150			4,792,150
OTHERS		1,916,860			1,916,860
OTHERS		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540141700		1,916,860			1,916,860
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240539		49,838,359			49,838,359
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9618		1,725,174			1,725,174
RCBC TIG AS INVESTMENT MANAGER OF TA 100001187		17,443,426			17,443,426
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9595		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540226927		1,916,860			1,916,860
OTHERS		958,430			958,430
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2215		7,667,440			7,667,440
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9460		4,792,150			4,792,150
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280		479,215			479,215
RCBC TIG AS INVESTMENT MANAGER OF TA 100001081		28,752,899			28,752,899
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8857		1,916,860			1,916,860
OTHERS		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540144513		479,215			479,215
RCBC TIG AS INVESTMENT MANAGER OF TA 100003256		2,396,075			2,396,075
OTHERS		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100003258		14,376,450			14,376,450
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2474		3,833,720			3,833,720
RCBC TIG AS INVESTMENT MANAGER OF TA 100003251		1,916,860			1,916,860
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020		19,168,600			19,168,600
OTHERS		2,012,703			2,012,703
RCBC TIG AS INVESTMENT MANAGER OF TA 100003202		2,108,546			2,108,546
RCBC TIG AS INVESTMENT MANAGER OF TA 100003249		12,459,590			12,459,590
RCBC TIG AS INVESTMENT MANAGER OF TA 100003259		19,168,600			19,168,600
RCBC TIG AS INVESTMENT MANAGER OF TA 51540238313		10,638,573			10,638,573
OTHERS		958,430			958,430

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
OTHERS		958,430			958,430
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8835		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150084		1,916,860			1,916,860
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2379		8,625,870			8,625,870
RCBC TIG AS INVESTMENT MANAGER OF TA 51540144440		479,215			479,215
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9289		2,875,290			2,875,290
RCBC TIG AS INVESTMENT MANAGER OF TA 51540139234		14,376,450			14,376,450
RCBC TIG AS INVESTMENT MANAGER OF TA 100003250		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100003254		4,792,150			4,792,150
RCBC TIG AS INVESTMENT MANAGER OF TA 51540154608		1,245,959			1,245,959
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241950		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101318		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540102454		1,916,860			1,916,860
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9613		958,430			958,430
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9623		19,168,600			19,168,600
RCBC TIG AS INVESTMENT MANAGER OF TA 100000551		9,584,300			9,584,300
RCBC TIG AS INVESTMENT MANAGER OF TA 51540149906		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100003125		1,916,860			1,916,860
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9622		1,437,645			1,437,645
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099569		14,663,979			14,663,979
RCBC TIG AS INVESTMENT MANAGER OF TA 100002845		4,792,150			4,792,150
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2462		479,215			479,215
OTHERS		479,215			479,215
OTHERS		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540137932		1,054,273			1,054,273
RCBC TIG AS INVESTMENT MANAGER OF TA 100000942		958,430			958,430
OTHERS		4,792,150			4,792,150
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9301		1,916,860			1,916,860
RCBC TIG AS INVESTMENT MANAGER OF TA 100003105		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236434		11,501,160			11,501,160
ALCANTARA GROUP MULTI PURPOSE COOPERATIVE		862,587			862,587
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8853		7,667,440			7,667,440
PBCOM TRUST GROUP AS TRUSTEE FOR PM¯ 500026		958,430			958,430
RCBC TIG AS INVESTMENT MANAGER OF TA 100001646		479,215			479,215
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8540		4,792,150			4,792,150
RCBC TIG AS INVESTMENT MANAGER OF TA 51541095938		19,168,600			19,168,600
MAYBANK PHILIPPINES INCORPORATED		117,599,359			117,599,359
RCBC TIG AS INVESTMENT MANAGER OF TA 100002192		1,437,645			1,437,645
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001524		479,215			479,215
STERLING BANK OF ASIA TRUST GROUP AS INVESTMENT MANAGER OF TA NO 280 001221		2,779,447			2,779,447
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240350		4,792,150			4,792,150
RCBC TIG AS INVESTMENT MANAGER OF TA 51540233826		479,215			479,215
RCBC TIG AS INVESTMENT MANAGER OF TA 100002940		19,168,600			19,168,600
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9416		4,792,150			4,792,150
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026324		4,792,150			4,792,150
RCBC TIG AS INVESTMENT MANAGER OF TA 100002506		4,792,150			4,792,150
SOCIAL SECURITY SYSTEM		47,921,499			47,921,499
PBB TIC AS INVESTMENT FAO IMA NO 001310031209		481,636			481,636
PBB TIC AS INVESTMENT FAO IMA NO 001310028112		2,504,506			2,504,506
PBB TIC AS INVESTMENT FAO IMA NO 001310031438		481,636			481,636
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES INC		10,595,986			10,595,986

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 FAO IMA NO 001310031078		481,636			481,636
PBB TIC AS INVESTMENT FAO IMA NO 001310027012		1,348,580			1,348,580
PBB TIC AS INVESTMENT FAO IMA NO 001320031439		1,348,580			1,348,580
PBB TIC AS INVESTMENT FAO IMA NO 001310030806		577,963			577,963
RCBC TIG AS INVESTMENT MANAGER OF TA 51541155728		19,265,430			19,265,430
PBB TIC AS INVESTMENT FAO IMA NO 001310031397		577,963			577,963
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2339		1,059,599			1,059,599
RCBC TIG AS INVESTMENT MANAGER OF TA 51541099534		2,889,814			2,889,814
PBB TIC AS INVESTMENT FAO IMA NO 001310027156		2,504,506			2,504,506
PBB TIC AS INVESTMENT FAO IMA NO 001310030928		1,348,580			1,348,580
RCBC TIG AS INVESTMENT MANAGER OF TA 100000476		4,816,357			4,816,357
PBB TIC AS INVESTMENT FAO IMA NO 001310027001		1,348,580			1,348,580
PBB TIC AS INVESTMENT FAO IMA NO 001310028101		2,504,506			2,504,506
MAYBANK PHILIPPINES, INCORPORATED		32,654,903			32,654,903
PBB TIC AS INVESTMENT FAO IMA NO 001310031383		963,271			963,271
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2265		963,271			963,271
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8892		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 51540154500		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 100004062		4,816,357			4,816,357
OTHERS		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 100002208		34,677,773			34,677,773
OTHERS		9,632,715			9,632,715
RCBC TIG AS INVESTMENT MANAGER OF TA 51540043253		963,271			963,271
OTHERS		481,636			481,636
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138203		4,334,722			4,334,722
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9673		3,467,777			3,467,777
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101318		481,636			481,636
RCBC TIG AS INVESTMENT MANAGER OF TA 100004055		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 51540137517		11,559,258			11,559,258
RCBC TIG AS INVESTMENT MANAGER OF TA 51540124660		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 100002622		481,636			481,636
RCBC TIG AS INVESTMENT MANAGER OF TA 100004056		963,271			963,271
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9569		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 51540154055		481,636			481,636
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9444		674,290			674,290
RCBC TIG AS INVESTMENT MANAGER OF TA 51540230282		3,467,777			3,467,777
RCBC TIG AS INVESTMENT MANAGER OF TA 100003253		29,668,762			29,668,762
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360		4,816,357			4,816,357
RCBC TIG AS INVESTMENT MANAGER OF TA 100001552		2,986,142			2,986,142
RCBC TIG AS INVESTMENT MANAGER OF TA 100000972		9,632,715			9,632,715
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 000732		1,059,599			1,059,599
RCBC TIG AS INVESTMENT MANAGER OF TA 51541241276		4,816,357			4,816,357
RCBC TIG AS INVESTMENT MANAGER OF TA 900000356		9,632,715			9,632,715
RCBC TIG AS INVESTMENT MANAGER OF TA 51540136596		4,816,357			4,816,357
RCBC TIG AS INVESTMENT MANAGER OF TA 100000102		4,816,357			4,816,357
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9673		3,660,432			3,660,432
RCBC TIG AS INVESTMENT MANAGER OF TA 51540242906		963,271			963,271
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9678		3,564,104			3,564,104
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2280		481,636			481,636
RCBC TIG AS INVESTMENT MANAGER OF TA 100001015		11,559,258			11,559,258
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9584		7,128,209			7,128,209

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
RCBC TIG AS INVESTMENT MANAGER OF TA 100000175		9,632,715			9,632,715
RCBC TIG AS INVESTMENT MANAGER OF TA 100004053		5,009,012			5,009,012
OTHERS		2,889,814			2,889,814
RCBC TIG AS INVESTMENT MANAGER OF TA 100002154		5,394,320			5,394,320
RCBC TIG AS INVESTMENT MANAGER OF TA 100001081		19,747,065			19,747,065
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 000884		1,155,926			1,155,926
RCBC TIG AS INVESTMENT MANAGER OF TA 100003407		1,059,599			1,059,599
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239964		963,271			963,271
RCBC TIG AS INVESTMENT MANAGER OF TA 51540227044		1,541,234			1,541,234
PBB TIC AS INVESTMENT FAO IMA NO 001310029223		732,876			732,876
PBB TIC AS INVESTMENT FAO IMA NO 001310031432		1,832,190			1,832,190
PBB TIC AS INVESTMENT FAO IMA NO 001310031441		458,047			458,047
PBB TIC AS INVESTMENT FAO IMA NO 001310030922		458,047			458,047
PBB TIC AS INVESTMENT FAO IMA NO 001320031454		14,657,519			14,657,519
PBB TIC AS INVESTMENT FAO IMA NO 001310031160		549,657			549,657
PBB TIC AS INVESTMENT FAO IMA NO 001320031439		1,374,142			1,374,142
PBB TIC AS INVESTMENT FAO IMA NO 001310030928		732,876			732,876
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9052		916,095			916,095
PBB TIC AS INVESTMENT FAO IMA NO 001310029701		458,047			458,047
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC.		6,687,493			6,687,493
MAYBANK PHILIPPINES, INCORPORATED		34,078,731			34,078,731
PBB TIC AS INVESTMENT FAO IMA NO 001310031442		458,047			458,047
PBB TIC AS INVESTMENT FAO IMA NO 001310030201		458,047			458,047
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2335		458,047			458,047
PBB TIC AS INVESTMENT FAO IMA NO 001310017779		458,047			458,047
Antrilla Resources Corporation		1,832,190			1,832,190
PBB TIC AS INVESTMENT FAO IMA NO 001310024191		1,007,704			1,007,704
Alcantara Group Multi Purpose Cooperative		4,580,475			4,580,475
PBB TIC AS INVESTMENT FAO IMA NO 001310031440		458,047			458,047
MIB Capital Corporation		27,482,847			27,482,847
SOCIAL SECURITY SYSTEM		210,518,610			210,518,610
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125586		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360		4,580,475			4,580,475
RCBC TIG AS INVESTMENT MANAGER OF TA 100003417		2,565,066			2,565,066
RCBC TIG AS INVESTMENT MANAGER OF TA 100004078		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 51540231033		1,007,704			1,007,704
RCBC TIG AS INVESTMENT MANAGER OF TA 100000927		1,923,799			1,923,799
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239883		2,748,285			2,748,285
RCBC TIG AS INVESTMENT MANAGER OF TA 100004051		1,923,799			1,923,799
OTHERS		4,580,475			4,580,475
OTHERS		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100000388		6,870,712			6,870,712
OTHERS		4,580,475			4,580,475
RCBC TIG AS INVESTMENT MANAGER OF TA 100002171		54,965,695			54,965,695
RCBC TIG AS INVESTMENT MANAGER OF TA 100003899		1,374,142			1,374,142
RCBC TIG AS INVESTMENT MANAGER OF TA 100004054		1,007,704			1,007,704
RCBC TIG AS INVESTMENT MANAGER OF TA 100000389		4,855,303			4,855,303
RCBC TIG AS INVESTMENT MANAGER OF TA 100001238		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 51540232994		9,160,949			9,160,949
RCBC TIG AS INVESTMENT MANAGER OF TA 100004050		3,755,989			3,755,989
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020		2,839,894			2,839,894

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
RCBC TIG AS INVESTMENT MANAGER OF TA 51540155167		1,832,190			1,832,190
OTHERS		1,374,142			1,374,142
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138238		1,557,361			1,557,361
RCBC TIG AS INVESTMENT MANAGER OF TA 100002845		4,946,913			4,946,913
RCBC TIG AS INVESTMENT MANAGER OF TA 100004066		2,931,504			2,931,504
RCBC TIG AS INVESTMENT MANAGER OF TA 100002154		10,443,482			10,443,482
RCBC TIG AS INVESTMENT MANAGER OF TA 100004065		2,748,285			2,748,285
RCBC TIG AS INVESTMENT MANAGER OF TA 51540231327		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100000972		18,321,898			18,321,898
RCBC TIG AS INVESTMENT MANAGER OF TA 100004077		1,832,190			1,832,190
OTHERS		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 900000424		916,095			916,095
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2215		1,465,752			1,465,752
RCBC TIG AS INVESTMENT MANAGER OF TA 900000356		9,160,949			9,160,949
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026324		9,160,949			9,160,949
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236434		4,580,475			4,580,475
OTHERS		458,047			458,047
RCBC TIG AS INVESTMENT MANAGER OF TA 51540140062		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 51540242485		458,047			458,047
OTHERS		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100002116		549,657			549,657
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240350		3,481,161			3,481,161
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228644		7,786,807			7,786,807
RCBC TIG AS INVESTMENT MANAGER OF TA 100004048		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100004049		3,664,380			3,664,380
RCBC TIG AS INVESTMENT MANAGER OF TA 100002118		1,374,142			1,374,142
RCBC TIG AS INVESTMENT MANAGER OF TA 100002204		13,741,424			13,741,424
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125616		1,832,190			1,832,190
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 000732		824,485			824,485
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 001221		824,485			824,485
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099399		1,007,704			1,007,704
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138327		916,095			916,095
OTHERS		4,580,475			4,580,475
OTHERS		1,190,923			1,190,923
OTHERS		458,047			458,047
RCBC TIG AS INVESTMENT MANAGER OF TA 51540142219		916,095			916,095
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9518		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241950		1,923,799			1,923,799
RCBC TIG AS INVESTMENT MANAGER OF TA 100003265		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 51540233060		4,580,475			4,580,475
OTHERS		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 51540097949		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 100004050		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100004063		2,748,285			2,748,285
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150106		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 51540043253		916,095			916,095
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2447		458,047			458,047
RCBC TIG AS INVESTMENT MANAGER OF TA 100001320		2,839,894			2,839,894
RCBC TIG AS INVESTMENT MANAGER OF TA 100004052		14,657,519			14,657,519
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239913		8,794,511			8,794,511
OTHERS		458,047			458,047

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
OTHERS		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 100000201		4,946,913			4,946,913
OTHERS		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 100003903		7,328,759			7,328,759
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101830		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 100003253		87,029,016			87,029,016
RCBC TIG AS INVESTMENT MANAGER OF TA 900000642		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100004064		6,687,493			6,687,493
RCBC TIG AS INVESTMENT MANAGER OF TA 900000423		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239964		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 51540148438		458,047			458,047
OTHERS		1,832,190			1,832,190
RCBC TIG AS INVESTMENT MANAGER OF TA 900000892		2,748,285			2,748,285
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098368		916,095			916,095
RCBC TIG AS INVESTMENT MANAGER OF TA 100001811		1,374,142			1,374,142
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9601		549,657			549,657
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240539		29,315,037			29,315,037
RCBC TIG AS INVESTMENT MANAGER OF TA 900000212		1,374,142			1,374,142
RCBC TIG AS INVESTMENT MANAGER OF TA 51540145471		458,047			458,047
RCBC TIG AS INVESTMENT MANAGER OF TA 900000616		5,496,569			5,496,569
RCBC TIG AS INVESTMENT MANAGER OF TA 51540127082		1,007,704			1,007,704
CHC's Subsidiaries					
Mapalad Power Corporation					
Ninety days peso demoninated debt	50,000,000				50,000,000
SIGUIL HYDRO POWER CORP.					
Fifteen years peso demoninated debt				394,355,421	394,355,421
Fourteen years and ten months peso denominated debt				788,278,651	788,278,651
Fourteen years and two months peso denominated debt				491,988,082	491,988,082
ATEC's Subsidiaries					
Sarangani Energy Corporation					
Thirteen and a half year peso denominated debt floating rate debt - SEC 1			1,096,841,401	2,417,765,955	3,514,607,356
Ten and a half year peso denominated floating rate debt - SEC 2			961,182,396	6,614,085,307	7,575,267,703
	3,775,297,128	1,895,578,640	2,759,523,797	15,423,495,446	23,853,895,011

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Supplementary Schedules

Schedule E: Indebtedness to related parties

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
NONE		
	-	-

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES
Schedules F- 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 G: Capital Stock

Title of Issue (2)	Number of Share authorized	Number of shares issued and outstanding	Number of shares reserved for options,	Number of shares held by affiliates	Directors, officers and employees	Others
		at shown under related balance sheet caption	Warrants, conversion and other rights		(as of December 31,2023)	
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	5,500,000,000		5,500,000,000		
	17,445,000,000	11,791,500,000		10,531,047,697	100,406	1,260,351,897

The features of the preferred shares were discussed in Note 21 of the Financial Statements.

Note: There were no significant changes in the Capital Stock of the Company since last 31 December 2022.

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.

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

ALSONS CONSOLIDATED RESOURCES INC.

1. **Gross and net proceeds as disclosed in the Prospectus/ Offering Circular.**

A: Proceeds as disclosed in Final Prospectus dated December 13, 2022

Face Value of the Offer	Php 1,135,000,000
Interest Discount*	(76,287,472)
Gross Proceeds	**1,058,712,528**
Less:	
SEC Filing and Legal Research Fees	(1,325,655)
Documentary Stamp Tax	(8,489,178)
Underwriting and Selling Fees	(4,527,562)
Issue Management Fee	(800,000)
Financial Advisory Fee	(1,200,000)
Transaction Counsel Fees	(400,000)
Independent Counsel Fees	(200,000)
Facility Agency Fees**	(100,000)
Philratings credit rating report fees	(832,608)
PDTC Registry fees***	(150,000)
PDEx listing fees***	(50,000)
Estimated Costs of Printing and Publication	(30,000)
Net Proceeds	**Php 1,040,607,525**

*Interest Discount - (based on the final rate of 7.1265% and 364 days assuming true discount computation)
** The fees are payable annually for as long as CPs under the program remain outstanding
*** *PDTC and PDEx fees are estimates*

Gross Proceeds – **Php 1,058,712,528**
Net Proceeds – **Php 1,040,607,525**

B: Proceeds as disclosed in Final Offering Circular dated May 25, 2023

Face Value	Php 1,380,000,000
Interest Discount*	(82,573,205)
Gross Proceeds	**1,297,426,795**
Less:	
Underwriting and Selling Fees	(4,474,308)
PDTC Registry Fees***	(50,000)
PDEx listing fees***	(100,000)
Documentary Stamp Tax	(8,389,327)
Facility Agent Fee**	(100,000)
Financial Advisory Fee	(134,400)
Net Proceeds	**Php 1,284,178,760**

*Interest Discount - based on the final rate of 7.3593% for 182 days (Series V) and 7.9242% for 364 days (Series W) assuming true discount computation
** The fees are payable annually for as long as CPs under the program remain outstanding
*** *PDTC and PDEx fees are estimates*

Gross Proceeds – **Php 1,297,426,795**
Net Proceeds – **Php 1,284,178,760**

C: Proceeds as disclosed in Final Offering Circular dated November 10, 2023

Face Value	Php 1,149,000,000
Interest Discount*	(78,272,145)
Gross Proceeds:	**1,070,727,855**
Less:	
Underwriting and Selling Fees	(3,925,017)
PDTC Registry Fees**	(200,000)
PDEx listing fees**	(50,000)
Documentary Stamp Tax	(7,359,407)
Financial Advisory Fee	(120,000)
Net Proceeds	**Php 1,059,073,431**

*Interest Discount - based on the final rate of 7.9054% for 182 days (Series X) and 8.6107% for 364 days (Series Y) assuming true discount computation
*** PDTC and PDEx fees are estimates*

Gross Proceeds – **Php 1,070,727,855**
Net Proceeds – **Php 1,059,073,431**

2. **Actual Gross and net proceeds**

A: Actual Proceeds for Series T & U

Face Value of the Offer	**Php 620,000,000**
Series T	149,000,000
Series U	471,000,000
Interest Discount	**(36,279,989)**
Series T	(4,622,369)
Series U	(31,657,621)
Gross Proceeds	**583,720,011**
Less:	
SEC Filing and Legal Research Fees	(1,325,655)
Documentary Stamp Tax	(4,080,102)
Underwriting and Selling Fees	(2,296,842)
Issue Management Fee	(842,105)
Financial Advisory Fee	(1,344,000)
Transaction Counsel Fees	(400,000)
Facility Agency Fees	(174,500)
Philratings credit rating report fees	(832,608)
Independent Counsel Fees	(200,000)
PDTC & PDEx fees*	(187,417)
Costs of Printing and Publication	(41,151)
Net Proceeds	**Php 571,995,631**

* PDTC & PDEX fees billed as of December 2023. Does not include all fees, still waiting for other billings from the exchange.

Actual Gross Proceeds – **Php 583,720,011**
Actual Net Proceeds – **Php 571,995,631**

B: Actual Proceeds for Series V & W

Face Value of the Offer	**Php 1,380,000,000**
Series V	516,700,000
Series W	863,300,000
Interest Discount	**(82,573,205)**
Series V	(18,534,425)
Series W	(64,038,780)
Gross Proceeds	**1,297,426,795**
Less:	
Documentary Stamp Tax	(8,389,443)
Underwriting and Selling Fees	(4,811,084)
Financial Advisory Fee	(120,000)
PDTC & PDEx fees*	(60,556)
Other expenses	(76,986)
Net Proceeds	**Php 1,283,968,726**

* PDTC & PDEX fees billed as of December 2023. Does not include all fees, still waiting for other billings from the exchange.

Actual Gross Proceeds – **Php 1,297,426,795**
Actual Net Proceeds – **Php 1,283,968,726**

C: Actual Proceeds for Series X & Y

Face Value of the Offer	**Php 1,149,000,000**
Series X	330,100,000
Series Y	818,900,000
Interest Discount	**(78,272,145)**
Series X	(12,685,834)
Series Y	(65,586,311)
Gross Proceeds:	**1,070,727,855**
Less:	
Underwriting Fees	(4,220,448)
PDEx Listing*	(3,223.97)
Documentary Stamp Tax	(7,359,547)
Financial Advisory Fee	(134,400)
Net Proceeds	**Php 1,082,439,027**

* PDTC & PDEX fees billed as of December 2023. Does not include all fees, still waiting for other billings from the exchange.

Actual Gross Proceeds – **Php 1,070,727,855**
Actual Net Proceeds – **Php 1,082,439,027**

3. Expenditure items where the proceeds were used

A: Series T & U

CP Series R maturity due December 26, 2022	265,000,000
PNs	306,995,631
Total expenditure	**571,995,631**

B: Series V & W

CP Series S maturity due June 26, 2023	1,000,000,000
CP Series **T** maturity due June 23, 2023	149,000,000
PNs	134,968,726
Total expenditure	**1,283,968,726**

C: Series X & Y

CP Series U maturity due December 22, 2023	471,000,000
CP Series V maturity due December 15, 2023	516,700,000
PNs	94,739,027
Total expenditure	**1,082,439,027**

4. Balance of the proceeds as of end of reporting period

A: Balance as of March 31, 2023 is **Php 0.**

B: Balance as of June 30, 2023 is **Php 0.**

C: Balance as of December 31, 2023 is **Php 0.**

Note: *No new issuance of Commercial Paper for the third quarter of 2023.*

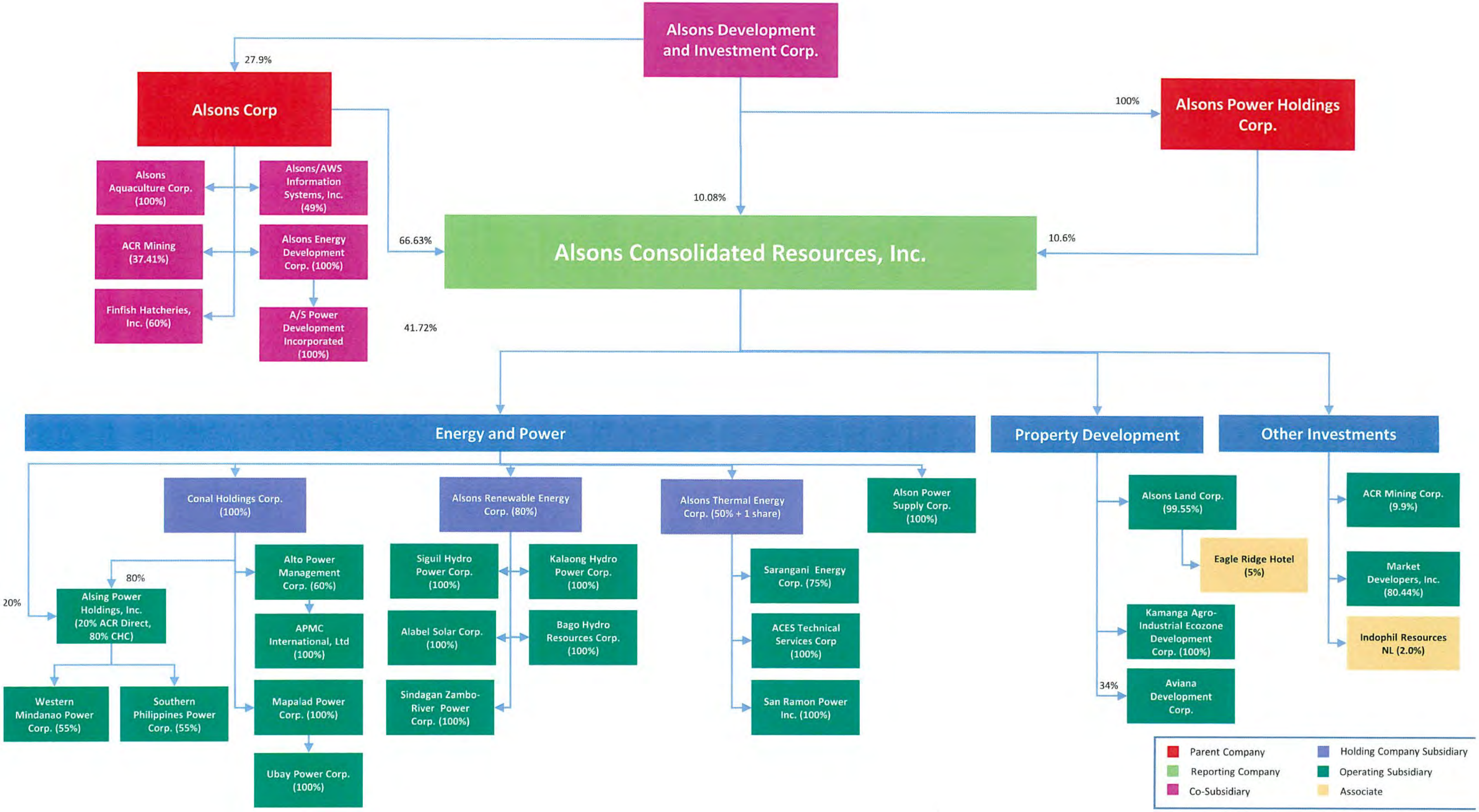
ALSONS CONSOLIDATED RESOURCES, INC.
Computation of Public Ownership as of December 31,2023

		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**		**5,500,000,000**
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	Director, President, Chairman of the Board	0.0000%	-		
TIRSO G. SANTILLAN JR.	Director, Executive Vice President,Chief Operating Officer	0.0000%	-		
EDITHA I. ALCANTARA	Director and Treasurer	0.0000%	-		
ANTONIO MIGUEL B. ALCANTARA	Chief Investment and Strategy Officer	0.0000%	-		
ALEXANDER BENHUR M. SIMON	VP and Group Chief Financial Officer	0.0000%	-		
ANA MARIA MARGARITA A. KATIGBAK	Corporate Secretary	0.0000%	-		
JONATHAN F. JIMENEZ	Assistant Corporate Secretary	0.0000%	-		
SUB – TOTAL		**0.0000%**	**-**		
PRINCIPAL STOCKHOLDERS:					
ALSONS CORPORATION		41.2100%	2,592,524,072	100.0000%	5,500,000,000
ALSONS POWER HOLDINGS CORP.		19.8700%	1,249,999,599		
ALSONS DEV'T & INVESTMENT CORP.		18.8900%	1,188,524,026		
SUB – TOTAL		**79.9700%**	**5,031,047,697**		**5,500,000,000**
TOTAL SHARES HELD BY DIRECTORS, OFFICERS, PRINCIPAL STOCKHOLDERS & AFFILIATES		**79.9716%**	**5,031,148,103**	**100.0000%**	**5,500,000,000**
TOTAL NUMBER OF SHARES OWNED BY THE PUBLIC		**20.0284%**	**1,260,351,897**	**-**	**-**

ALSONS CONSOLIDATED RESOURCES, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION*
FOR THE YEAR ENDED DECEMBER 31, 2023

Unappropriated retained earnings, beginning of reporting period				₱179,352,381
Add:	**Category A:**	**Items that are directly credited to unappropriated retained earnings**		
		Reversal of retained earnings appropriations	–	
		Effect of restatements or prior-year adjustments	–	
		Others (describe nature)	–	–
Less:	**Category B:**	**Items that are directly debited to unappropriated retained earnings**		
		Dividend declaration during the reporting period	130,230,000	
		Retained earnings appropriated during the reporting period	–	
		Effect of restatements or prior-year adjustments	–	
		Others (describe nature)	–	130,230,000
Unappropriated retained earnings, as adjusted				49,122,381
Add/Less: Net income (loss) for the current year				502,872,731
Less:	**Category C.1:**	**Unrealized income recognized in the profit or loss during the reporting period (net of tax)**		
		Equity in net income of associate/joint venture, net of dividends declared	–	
		Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
		Unrealized fair value gain of investment property	–	
		Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	**Category C.2:**	**Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
		Realized foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
		Realized fair value gain of investment property	–	
		Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	**Category C.3:**	**Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)**		
		Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
		Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	–	
		Reversal of previously recorded fair value gain of investment property	–	
		Reversal of previously recorded other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	–
Add:	**Category D:**	**Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
		Depreciation on revaluation increment (after tax)	–	–
Add/ (Less)	**Category E:**	**Adjustments related to relief granted by the SEC and BSP**		
		Amortization of the effect of reporting relief	–	
		Total amount of reporting relief granted during the year	–	
		Others (describe nature)	–	–
Add/ (Less)	**Category F:**	**Other items that should be excluded from the determination of the amount of available for dividends distribution**		
		Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
		Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
		Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	–	
		Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
		Others (describe nature)	–	–
Adjusted net income				551,995,112
Total retained earnings, end of reporting period available for dividend declaration				₱551,995,112

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 Development and Investment Corp.
27.9%
Alsons Corp
100%
Alsons Power Holdings Corp.
Alsons Aquaculture Corp. (100%)
Alsons/AWS Information Systems, Inc. (49%)
ACR Mining (37.41%)
Alsons Energy Development Corp. (100%)
Finfish Hatcheries, Inc. (60%)
A/S Power Development Incorporated (100%)
10.08%
66.63%
10.6%
Alsons Consolidated Resources, Inc.
41.72%
Energy and Power
Property Development
Other Investments
Conal Holdings Corp. (100%)
Alsons Renewable Energy Corp. (80%)
Alsons Thermal Energy Corp. (50% + 1 share)
Alson Power Supply Corp. (100%)
Alsons Land Corp. (99.55%)
ACR Mining Corp. (9.9%)
80%
20%
Alsing Power Holdings, Inc. (20% ACR Direct, 80% CHC)
Alto Power Management Corp. (60%)
APMC International, Ltd (100%)
Siguil Hydro Power Corp. (100%)
Kalaong Hydro Power Corp. (100%)
Alabel Solar Corp. (100%)
Bago Hydro Resources Corp. (100%)
Sindagan Zambo-River Power Corp. (100%)
Sarangani Energy Corp. (75%)
ACES Technical Services Corp (100%)
San Ramon Power Inc. (100%)
Eagle Ridge Hotel (5%)
Market Developers, Inc. (80.44%)
Kamanga Agro-Industrial Ecozone Development Corp. (100%)
Indophil Resources NL (2.0%)
34%
Aviana Development Corp.
Western Mindanao Power Corp. (55%)
Southern Philippines Power Corp. (55%)
Mapalad Power Corp. (100%)
Ubay Power Corp. (100%)
Parent Company
Reporting Company
Co-Subsidiary
Holding Company Subsidiary
Operating Subsidiary
Associate

Exhibit 3

ADDITIONAL SCHEDULES/ BREAKDOWN OF ACCOUNTS

DECEMBER 31,2023

Additional Schedules
Balance Sheet

1. Accounts Receivable: Breakdown of Accounts Receivable as of December 31,2023

Accounts Receivable – Trade	1,904,411,445
Advances to Affiliates / Joint Ventures	3,368,940,233
Retention Receivable	14,655,481
Contract Assets	89,392,020
Accounts Receivable – Others:	
Advances to officers and employees	18,219,199
Advances for Business expenses	11,925,298
Miscellaneous and other Receivables	262,926,672
Total Accounts Receivable	5,670,470,348
Less: Allowance for doubtful accounts	(98,313,960)
Accounts Receivable – Net	**Php5,572,156,388**

2. Prepaid Expenses and Other Current Assets as of December 31, 2023

Deposits in IRA	499,806,101
Input Tax	109,783,742
Creditable Withholding Tax	34,411,779
Other Prepayments	206,444,736
	Php850,446,358

3. Accounts Payable and Accrued Expenses as of December 31, 2023

Accounts Payable	Php1,356,493,878
Interest Payable	328,094,847
Output tax and withholding tax payable	247,675,077
Other accrued expenses	742,902,844
Other current liabilities	210,309,988
Total Accounts Payable & Accrued Expenses	**Php2,885,476,634**

Income Statement

1. Breakdown of Revenues and Cost of Goods Sold and Services (December 31,2023)

	Revenues		Cost	
	Continuing	Discontinued	Continuing	Discontinued
Real Estate	Php5,103,300		Php2,314,193	
Services	12,417,643,680		7,970,051,073	
Total	Php12,422,746,980	Php0	Php7,972,365,266	Php0

2. Operating and Administrative Expenses for the year ending December 31, 2023

	Continuing	Discontinued
Personnel costs	Php303,762,138	
Depreciation and amortization	115,248,262	
Others	102,978,493	
Outside services	65,624,689	
Taxes and licenses	64,242,392	
Utilities	14,966,006	
Transportation and travel	32,685,115	
Directors' and executive fees and bonuses	2,610,000	
Supplies	2,383,888	
Telephone, telegram and postage	1,731,883	
Insurance	1,231,008	
Representation	764,407	
Impairment of Goodwill	-	
Commissions	-	
Total	Php708,228,281	Php0

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

Financial KPI	Definition	Years Ended December 31	
		2023	2022
Liquidity			
Current Ration/ Liquidity Ratio	Current Assets / Current Liabilities	0.91:1	1.15:1
Acid Test Ratio	Current Assets-Inventories-Prepaid Expense / Current Liabilities	0.70:1	0.91:1
Solvency			
Debt to Equity Ratio/ Solvency Ratio	Long-term debt (net of unamortized transaction costs)+Loans Payable+Short-term Notes+ Accrued Interest / (Equity attributable to Parent Net of Resrves)	2.31:1	2.52:1
Debt to Asset Ratio	Long-term Debts (net of unamortized transactions costs) + Loans Payable + Short-term Notes + Accrued Interest / Total Assets	0.50:1	0.53:1
Net Service Coverage Ratio	Cash Available for Debt Service / Aggregate Principal and Interest during Next Period	2.12	2.01:1
Interest Rate Coverage Ratio			
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes and Depreciation / Interest Expense	2.50:1	3.20:1
Profitability Ratio			
Return on Equity	Net Income / Stockholders' Equity	12%	10%
EBITDA	EBITDA / Net Sales	44%	44%
Return on Assets	Net Income / Total Assets	5%	4%
Net Profit Margin	Net Income / Revenues	18%	16%
Operating Expense Ratio	Operating Expenses / Gross operating income	20%	19%
Asset-to-Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	2.44:1	2.53:1
Debt- to-Equity Ratio	Total debt / Total Equity	1.30:1	1.53:1

EXHIBIT 4

SUBSIDIARIES OF THE REGISTRANT

Alsons Consolidated Resources, Inc. had the following consolidated subsidiaries as of December 31, 2023:

Name	Jurisdiction
Alsons Land Corporation	Philippines
Conal Holdings Corp.	Philippines
Alsons Thermal Energy Corp.	Philippines
Alsons Renewable Energy Corp.	Philippines

		Percentage of Ownership			
		2023		2022	
Subsidiaries	Nature of business	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.*

Alsons Consolidated Resources, Inc.
and Subsidiaries

Reports on SEC Form 17-C filed during the Year Ended December 31, 2023

ALSONS CONSOLIDATED RESOURCES, INC.

SEC Form 17-C Summary

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 2023***:

Date Filed	Description
January 05, 2023	Report on Attendance of ACR Directors in 2022 Board Meetings.
January 16, 2023	Certificate of Compliance with the Manual of Corporate Governance for 2022
March 17 2023	A Press Release of the Company entitled "Alsons Commercial Papers Maintain Favorable Credit Rating"
March 23, 2023	An advisory on the results of the Board of Directors meeting for the approval of the postponement, re-setting of the date of the Annual Stockholders' Meeting by remote communication on 19 June 2023, the record date on 15 May 2023; Approval of the Audited Financial Statements for the year 2022 and appointment of RCBC Capital Corporation as the new underwriter and Issue Manager for the remaining balance of the commercial papers program; A Press Release of the Company entitled "Alsons 2022 Net Income Rises by 42% to P1.88 billion"
May 15. 2023	A Press Release of the Company entitled "Alsons Net Income Up 67% in Q1 2023"
June 1, 2023	Disclosure on Certificate of Permit to Offer Securities for Sale issued by the Securities and Exchange Commission-Markets and Securities Regulation Department covering the 2nd tranche of the commercial papers that forms part of the Three Billion pesos commercial paper program.
June 16, 2023	A Press Release of the Company entitled "Alsons lists 2nd tranche of P3 billion Commercial Papers with PDeX"
June 19, 2023	The Board of Directors approved the Declaration of Cash Dividends in favor of the common and preferred stockholders out of the unrestricted retained earnings as of 31 December 2022; A Press Release of the Company entitled "Alsons RE Expansion in Full Swing"; Disclosure on the Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on 19 June 2023 by remote communication.
June 20, 2023	A reply to the PSE for clarification of the news articles entitled "Alsons to invest P6 billion in next 3 years" posted in the philSTAR.com on June 20, 2023 confirming the contents of the article.
August 14, 2023	A Press Release of the Company entitled "Alsons Net Income Up 70% at P1.17 Billion in the First Half of 2023"
November 14, 2023	A Press Release of the Company entitled "Dynamic energy market push Alsons Income up 32% P1.8 billion in Q3 alone this year"
November 15, 2023	Disclosure on Certificate of Permit to Offer Securities for Sale issued by the Securities and Exchange Commission-Markets and Securities Regulation Department covering the 3rd tranche of the commercial papers that forms part of the Three Billion pesos commercial paper program.
November 29, 2023	A Press Release of thc Company entitled "Alsons Successfully Raises Php1.149 Billion Commercial Paper program, Paving the Way for an Enhanced Power Portfolio Expansion"
November 30, 2023	Advisement letter on the Certificate of Attendance of the Company's Directors and Officers to the Corporate Governance Webinar/Training.
December 14, 2023	An advisory on the retirement of Mr. Alexander Benhur M. Simon as Group Chief Financial Officer effective by the close of business on 31 Dec. 2023

CR00094-2023

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	Letter Advisement on the Attendance of the Board of Directors for 2022 Meetings
Report Period/Report Date	Jan 5, 2023

Description of the Disclosure

In compliance with SEC MC No. 1 Series of 2014, attached is the Letter Advisement on the attendance of ACR directors to the 2022 board meetings.

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 05, 2023

Securities & Exchange Commission
Attn.: Director Vicente Graciano P. Felizmenio, Jr.
Markets and Securities Regulations Department
Secretariat Bldg., PICC Complex, Roxas Blvd., Pasay City

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: Ms. Alexandra D. Tom Wong, *Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail
Philippine Dealing & Exchange Corp.
Attn.: Atty. Marie Rose M. Magallen-Lirio
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Re: **Advisement Letter on Director's 2022 Board Meetings Attendance**

Gentlemen:

In compliance with the Manual on Corporate Governance of Alsons Consolidated Resources, Inc. (the "Corporation"), we hereby formally advise the Commission of the following:

1. The attendance of the directors of the Corporation in board meetings held during the calendar year 2022 is summarized below.

	Name	Date of Election/ Reelection	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman/President	Nicasio I. Alcantara	May 26, 2022	7	7	100%
Board Vice-Chair	Editha I. Alcantara	May 26, 2022	7	7	100%
Board Member	Tomas I. Alcantara	May 26, 2022	7	7	100%
Board Member	Alejandro I. Alcantara	May 26, 2022	7	7	100%
Board Member	Arturo B. Diago, Jr.	May 26, 2022	7	7	100%

Board Member	Tirso G. Santillan, Jr.	May 26, 2022	7	7	100%
Board Member	Honorio A. Poblador, III	May 26, 2022	7	7	100%
Board Member	Ramon T. Diokno	May 26, 2022	7	7	100%
Independent Director	Jose Ben R. Laraya	May 26, 2022	7	7	100%
Independent Director	Jacinto C. Gavino, Jr.	May 26, 2022	7	7	100%
Independent Director	Thomas G. Aquino	May 26, 2022	7	7	100%

2. The Board of Directors of the Company held its meetings in the year 2022, specifically on the following dates:

Date of Meeting	***Meeting Type***
March 24, 2022	Regular
May 26, 2022	Special
May 26, 2022	ASM/ Organizational
August 25, 2022	Regular
September 30, 2022	Special
November 24, 2022	Regular
December 15, 2022	Special

3. Based on our 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 May 26, 2022. 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 May 26, 2022.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,

JONATHAN F. JIMENEZ
Corporate Compliance Officer &
Assistant Corporate Secretary

Annex "A"
Alsons Consolidated Resources, Inc.
Meetings of the Board of Directors for the Year 2022

Date of Special and Regular Board Meetings [Legend: Present (√), Absent (x)]

Names of Directors	Mar 24 Regular	May 26 Special	May 26 ASM/OM	Aug 25 Regular	Sep 30 Special	Nov 24 Regular	Dec 15 Special
1. Nicasio I. Alcantara	√	√	√	√	√	√	√
2. Editha I. Alcantara	√	√	√	√	√	√	√
3. Tomas I. Alcantara	√	√	√	√	√	√	√
4. Alejandro I. Alcantara	√	√	√	√	√	√	√
5. Arturo B. Diago, Jr.	√	√	√	√	√	√	√
6. Tirso G. Santillan, Jr.	√	√	√	√	√	√	√
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
ASM	-	Annual Stockholders' Meeting
OM	-	Organizational Meeting

CR00655-2023

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	Certificate of Compliance with the Manual of Corporate Governance for the Year 2022
Report Period/Report Date	Jan 16, 2023

Description of the Disclosure

Certification of the Company's compliance with the Revised Code of Corporate Governance, per SEC Memorandum Circular No. 24, Series of 2019

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

COMPLIANCE OFFICER CERTIFICATION

I, JONATHAN F. JIMENEZ, of legal age and with office address at Alsons Bldg., 2286 Chino Roces Avenue, Makati City, under oath, state:

1. I am the incumbent Assistant Corporate Secretary and Compliance Officer of **ALSONS CONSOLIDATED RESOURCES INC.** (the "Corporation"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, with principal office address at Alsons Building, 2286 Chino Roces Avenue, Makati City;

2. For the calendar year 2022, the Corporation substantially adopted and complied with all the provisions of the Manual on Corporate Governance, as prescribed by SEC Memorandum Circular No. 24, Series of 2019 and does not have any significant deviation therefrom; and

3. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission on the annual reporting of the annual reporting on the Corporation's compliance with the Manual of Corporate Governance.

JONATHAN F. JIMENEZ
Assistant Corporate Secretary and
Compliance Officer

Countersigned by:

NICASIO I. ALCANTARA
President

SUBSCRIBED AND SWORN TO before me this 10 day of JAN 2023, at CITY OF MAKATI, Philippines, affiant exhibiting to me his TIN 154-892-623.

NOTARY PUBLIC
ATTY. EDWARD FRANCIS M. ARABE
COMMISSION NO. M-103
NOTARY PUBLIC FOR MAKATI CITY
UNTIL 31 DECEMBER 2023
UNIT 8A 8/F SAGITTARIUS OFFICE CONDOMINIUM
111 H.V DELA COSTA STREET SALCEDO VILLAGE
BRGY. BEL-AIR 1209 MAKATI CITY
SC Roll No. 74717/07-15-2020
IBP No. 177366/02-07-2022/Makati City
PTR No. MKT8857127/01-10-2022/Makati City

Doc. No. 455;
Page No. 92;
Book No. I;
Series of 2023.

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 Commercial Papers Maintain Favorable Credit Rating"

Background/Description of the Disclosure

Please see attached Press Release. (SEC Form 17-C)

Other Relevant Information

Disclaimer: This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations. Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

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

March 17, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: **"Alsons Commercial Papers Maintain Favorable Credit Rating."**

We trust that you find the foregoing in order.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc.

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

Alsons Commercial Papers Maintain Favorable Credit Rating

Alsons Consolidated Resources Inc., (ACR) recently sustained its issuer credit rating of PRS Aa minus (corp.) with a Stable Outlook from the Philippine Rating Services Corporation (PhilRatings). The rating was made in relation to ACR's issuance of up to ₱3.0 billion in Commercial Papers (CP).

According to PhilRatings, a company with a PRS Aa rating "has a strong capacity to meet its financial commitments relative to other Philippine corporates." The rating agency assigns a Stable Outlook when a rating is likely to be maintained or to remain unchanged in the next twelve months.

Among the factors cited by PhilRatings for maintaining ACR's credit rating were: 1." The commencement of the Wholesale Electricity Spot Market (WESM) in Mindanao and the upcoming completion of the Mindanao-Visayas Interconnection Project (MVIP), ...may possibly broaden the Company's market reach to Luzon and Visayas." 2. ACR's "...planned expansion projects which will further diversify its generation mix"; 3. "the Company's ability to establish joint ventures with strong partners for particular projects"; and 4. ACR's "ample liquidity, supported by positive operating cash flows."

ACR listed ₱620 million from the first tranche of the company's ₱3 billion **CP** Program. with the Philippine Dealing and Exchange Corporation (PDEx) last December. This is the third CP Program for the publicly-listed company of the Alcantara Group which had its first CP issuance in 2018. Proceeds from the issuance will be used primarily for general working capital purposes.

The company is now focused on building up its renewable energy capacity in the next few years, with around eight run-of-river hydroelectric power facilities in the company's pipeline. The first of these hydroelectric power plants is the 14.5 mega-watt (MW) Siguil Hydro power plant currently under construction in Maasim, Sarangani Province, which is targeting to begin operations before the end of this year.

The next two renewable energy facilities slated for development are a hydro and possible solar power project in Zamboanga del Norte with a potential combined capacity of up to 37.8 MW, and a hydro power project in the Bago River in Negros Occidental with a planned capacity of up to 42 MW. "...Eventually, renewable energy sources will comprise at least half of ACR's long-term energy mix," ACR Chairman and President Nicasio I. Alcantara stated last year.

ACR is Mindanao's first private sector power generator providing electricity to over eight 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 MW.

###

Disclaimer: This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations. Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 7-2 - Postponement of Annual Stockholders' Meeting
References: SRC Rule 17 (SEC Form 17-C) and
Section 7 of the Revised Disclosure Rules

Subject of the Disclosure

Postponement of 2023 Annual Stockholders' Meeting

Background/Description of the Disclosure

The Annual Stockholders' Meeting of Alsons Consolidated Resources, Inc. (the "Corporation") which, under the Amended By-Laws dated 16 July 2004, is scheduled in the month of May of each year, has been postponed and reset to June 19, 2023, to provide Management with sufficient time to prepare for the meeting. The meeting will be held virtually or by remote communication. The record date is on May 15, 2023.

Date of Approval by Board of Directors	Mar 23, 2023
Date of Stockholders' Meeting (as provided in the By-Laws)	In the month of May of each year as fixed by the Board of Directors

Reason(s) for postponement

To provide Management sufficient time for the meeting preparations.

Other Relevant Information

none

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

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

The Annual Stockholders' Meeting of Alsons Consolidated Resources, Inc. (ACR)

Background/Description of the Disclosure

The Board of Directors approved a date of the annual stockholders' meeting, which will be held on 19 June 2023 by remote communication.
Only stockholders on record at the close of business on 15 May 2023 shall be entitled to notice of the meeting and to participate in, and/or vote at, the said meeting.

Type of Meeting

☑ Annual

☐ Special

Date of Approval by Board of Directors	Mar 23, 2023
Date of Stockholders' Meeting	Jun 19, 2023
Time	2:00 PM
Venue	virtually or by remote communication
Record Date	May 15, 2023
Agenda	TBA

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End Date	N/A

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

March 23, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

The Annual Stockholders' Meeting of Alsons Consolidated Resources, Inc. (the "Corporation") which, under the Amended By-Laws dated 16 July 2004, is scheduled in the month of May of each year, has been postponed and reset to **June 19, 2023**, to provide Management with sufficient time to prepare for the meeting. The meeting will be held virtually or by remote communication. The record date is on **May 15, 2023.**

Attached is the notarized Secretary's Certificate on the matter in compliance with SEC Notice and Securities Regulations Code (SRC) Rule 11.1.5 of the 2015 SRC Rules.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SECRETARY'S CERTIFICATE

I, **JONATHAN F. JIMENEZ**, Filipino, of legal age, and with office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila, being the duly appointed Assistant Corporate Secretary of **Alsons Consolidated Resources, Inc.**, a Philippine corporation with same principal address (the "Corporation"), do hereby certify, that at their meeting held on the 23 March 2023, at which a quorum was present, and acting throughout, the Board of Directors of the Corporation unanimously approved and adopted and be in full force and effect:

BOARD RESOLUTION Nº ACR 2023/III-23-02

"RESOLVED, That the Board of Directors of Alsons Consolidated Resources, Inc. (the "Company") authorizes, as it hereby authorizes, the postponement of the Company's Annual Stockholders' Meeting which, under the Amended By-laws, shall be held in May, and the resetting of the same to June 19, 2023, to provide Management with sufficient time to prepare for the meeting;

RESOLVED, that the Record Date for the Annual Stockholders' Meeting be hereby set on May 15, 2023;

RESOLVED FURTHER, that the stockholders' meeting be hereby held by remote communication or *in absentia*, and the stockholders of the Company be further authorized to attend the meeting and cast their votes by proxy, remote communication, or *in absentia* in accordance with the mechanisms and procedures to be issued by the Company's President;

RESOLVED FURTHER, that the President be authorized to postpone and reset the meeting date, and/or the record date, and to conduct the meeting by remote communication or *in absentia*, in case the prevailing circumstances so require;

RESOLVED FURTHER, That the Board hereby sets March 31, 2023 as the last day for stockholders to submit nominations for the Board of Directors;

RESOLVED FINALLY, that Management and the proper officers of the Company be, as they are hereby, authorized to perform all acts, and to sign, execute, file and deliver, for and on behalf of the Company, any and all documents which may be required by the Securities and Exchange Commission in relation to the Annual Stockholders' Meeting."

That the above resolutions have not, to this date, been changed, modified, revoked or otherwise amended, and may be relied upon as valid and subsisting until a contrary certification is issued by the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 23rd day of March 2023 at Makati City, Metro Manila.

JONATHAN F. JIMENEZ
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the Makati City, Philippines, this 23rd day of March 2023, whose identity I have confirmed through his driver's license Nº D06-86-017937 valid until October 25, 2023, issued at Land Transportation Office, bearing the affiant's photograph and signature.

Doc. No. 39 ;
Page No. 9 ;
Book No. II ;
Series of 2023.
Arra/acr/403/23-III-23-02

ATTY. EDWARD FRANCIS M. ARABE
NOTARY PUBLIC
ATTY. EDWARD FRANCIS M. ARABE NOTARY PUBLIC ROLL NO. 74717 MAKATI CITY
Notarial Commission No. M-103
Until December 31, 2023
IBP No. 286311/01-12-2023/Makati
PTR No. MKT9569419/-1-06-2023/Makati
Roll No. 74717/07-15-2020

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

Approval of the Audited Financial Statements and appointment of RCBC Capital Corporation as the new Underwriter and Issue Manager for the remaining balance of the commercial papers program.

Background/Description of the Disclosure

Please be informed that in a Board meeting held on 23 March 2023, the Board of Directors of Alsons Consolidated Resources, Inc. ("ACR") approved the Audited Financial Statements for the year 2022 as audited by the firm, Sycip Gorres Velayo & Co.

ACR also engaged the services of RCBC Capital Corporation as the new Underwriter and Issue Manager for the remaining balance of its Commercial Paper Program which was approved by the Securities and Exchange Commission on 15 December 2022.

Other Relevant Information

Please see attached.

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

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 2022 Net Income Rises by 42% to P1.88 billion

Background/Description of the Disclosure

Please see attached Press Release. (SEC Form 17-C)

Other Relevant Information

Disclaimer: This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations. Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

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

March 23, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

Please be informed that in a Board meeting held on 23 March 2023, the Board of Directors of Alsons Consolidated Resources, Inc. ("ACR") approved the Audited Financial Statements for the year 2022 as audited by the firm, Sycip Gorres Velayo & Co.

ACR also engaged the services of **RCBC Capital Corporation** as the new Underwriter and Issue Manager for the remaining balance of its Commercial Paper Program which was approved by the Securities and Exchange Commission on 15 December 2022.

We are also furnishing the Exchange with a copy of the Press Statement by the Company entitled: **"Alsons 2022 Net Income Rises by 42% to P1.88 billion"**

We trust that you find the foregoing in order.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc.

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

Alsons 2022 Net Income Rises by 42% to ₱1.88 billion

Alsons Consolidated Resources Inc., (ACR) increased its full year net income in 2022 by 42% to ₱ 1.88 billion from ₱1.32 billion in 2021. ACR's net earnings attributable to the parent were also up by 52% at ₱617 million in 2022 from ₱405 million in 2021.

Full year-revenue for the publicly-listed company of the Mindanao anchored Alcantara Group rose 19% in 2022 to ₱11.99 billion from ₱10.05 billion in 2021.

The company attributed the steady rise in revenues from operations for the year, to the constant improvement in power demand in Mindanao. "As expected, power demand in Mindanao continued to grow in 2022, as day to day activities in the island continued to normalize in the aftermath of the pandemic," said ACR Deputy Chief Financial Officer Philip Edward B. Sagun.

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.

Another key revenue contributor for ACR for the year was the continuing operation of the company's 100 MW Western Mindanao Power Corporation (WMPC) diesel plant in Zamboanga City. WMPC is the only major power generation facility in the Zamboanga Peninsula, providing power to Zamboanga City and supplying vital ancillary services to the National Grid Corporation of the Philippines to help stabilize the power grid in the Western Mindanao Region.

ACR is now focused on building up its renewable energy capacity in the next few years, with around eight run-of-river hydroelectric power facilities in the company's pipeline. The first of these hydroelectric power plants is the 14.5 MW Siguil Hydro power plant currently under construction in Maasim, Sarangani, which is targeting to begin operations before the end of this year.

The next two renewable energy facilities slated for development are a hydro and solar power project in Zamboanga del Norte with a potential combined capacity of up to 37.8 MW, and a hydro power project in the Bago River in Negros Occidental with a planned capacity of up to 42 MW. "...Eventually, renewable energy sources will comprise at least half of ACR's long-term energy mix," ACR Chairman and President Nicasio I. Alcantara stated last year.

The company which is Mindanao's first private-sector power generator, 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 in the country's second largest island.

###

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 Net Income Up 67% in Q1 2023"

Background/Description of the Disclosure

Please see attached Press Release. (SEC Form 17-C)

Other Relevant Information

none

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading "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

May 15, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: "Alsons Net Income Up 67% in Q1 2023"

We trust that you find the foregoing in order.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc.

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

Alsons Net Income Up 67% in Q1 2023

Alsons Consolidated Resources Inc., (ACR) increased its net income in the first three months of 2023 to ₱ 542.27 million - 67% higher than ₱ 324 million in net income from the first quarter of 2022. ACR's net earnings attributable to the parent were also up significantly in the first quarter of 2023 at ₱155.84 million – a 73% increase from ₱90.16 million in the same period last year.

The publicly-listed company of the Mindanao anchored Alcantara Group saw first quarter revenues rise by 24% in 2023 to ₱3.31 billion from ₱2.67 billion in the first quarter of 2022.

"The first quarter of 2023 saw steady power demand from our key power markets in Mindanao. Our 210 megawatt (MW) Sarangani Energy Corporation (SEC) baseload power plant in Sarangani Province and our 100 MW Western Mindanao Power Corporation (WMPC) diesel plant in Zamboanga City remain to be our key revenue and income drivers for this quarter," said ACR Deputy Chief Financial Officer Philip Edward B. Sagun.

The company's SEC power plant 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.

ACR's WMPC power plant is the only major power generation facility in the Zamboanga Peninsula, providing power to Zamboanga City and supplying vital ancillary services to the National Grid Corporation of the Philippines to help stabilize the power grid in the Western Mindanao Region.

ACR is now focused on building up its renewable energy capacity in the next few years, with around eight run-of-river hydroelectric power facilities in the company's pipeline. The first of these hydroelectric power plants is the 14.5 MW Siguil Hydro power plant currently under construction in Maasim, Sarangani, which is targeting to begin operations before the end of this year.

The next two renewable energy facilities slated for development are a hydro and solar power project in Zamboanga del Norte with a potential combined capacity of up to 37.8 MW, and a hydro power project in the Bago River in Negros Occidental with a planned capacity of up to 42 MW.

The company which is Mindanao's first private-sector power generator, 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 in the country's second largest island.

###

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Jun 1, 2023
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
    item 9 - other items

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, 2nd tranche Commercial Papers

Background/Description of the Disclosure

Please see attached letter disclosure.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

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

June 01, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong,*** *Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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, 2nd tranche**

Gentlemen:

Please be informed that Alsons Consolidated Resources, Inc. (the "Company") received today from the Securities and Exchange Commission - Markets and Securities Regulations Department the Certificate of Permit to Offer Securities for Sale covering the registration of "ONE BILLION THREE HUNDRED EIGHTY MILLION PESOS (P1,380,000,000.00) 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.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.
By:

JONATHAN F. JIMENEZ
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 ONE BILLION THREE HUNDRED EIGHTY MILLION PESOS (P1,380,000,000.00) worth of Commercial Papers consisting of 182-day Series V Commercial Papers with discount rate of 7.3593% per annum and 364-day Series W Commercial Papers with discount rate of 7.9242% covered under SEC MSRD Order No. 90, Series of 2022 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 commercial papers that forms part of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program.

Issued at Makati City, Philippines this 30th day of May Two Thousand and Twenty-three.

VICENTE GRACIANO P. FELIZMENIO, JR.
Director

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

We furnish the Exchange with a copy of the Press Statement by the Company entitled: "Alsons lists 2nd tranche of P3 billion 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.
(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

June 16, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: **"Alsons lists 2nd tranche of ₱3 billion Commercial Papers with PDEx".**

We trust that you find the foregoing in order. Thank you.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc.

PRESS RELEASE

Please Refer to: Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.
psagun@alcantaragroup.com

Alsons lists 2nd tranche of ₱3 billion Commercial Papers with PDEx

Alsons Consolidated Resources, Inc. (ACR) has listed with the Philippine Dealing and Exchange Corporation (PDEx), ₱1.38 billion from the second tranche of the company's ₱3 billion Commercial Paper (CP) Program. The first ₱620 million tranche of this particular CP issuance was listed in December of 2022.

This is the third such CP Program for the publicly-listed company of the Alcantara Group which had its first CP issuance in 2018. Proceeds from the issuance will be used primarily for general working capital purposes.

The company is now focused on building up its renewable energy capacity in the next few years, with around several hydroelectric and solar power facilities in the company's pipeline. The first of these renewable energy plants is the 14.5 mega-watt (MW) Siguil Hydro power plant currently under construction in Maasim, Sarangani Province, which is targeting to begin operations before the end of 2023.

ACR's focus on renewable energy was emphasized by the company's Executive Vice President and Chief Executive Officer Tirso G. Santillan during his remarks made at the listing ceremony, "Consistent with our concern for the environment, we are deliberately moving into renewable energy for our capacity expansion. Our next major projects will use run of river hydro, and solar power... Although we continue to rely on our fossil fuel fired baseload plants for reliability and cost considerations, in time we expect to increase the contribution of renewable sources to at least 50% of our energy mix to lead to a reduction of our carbon footprint," Mr. Santillan said.

ACR earlier this year, sustained its issuer credit rating of PRS Aa minus (corp.) with a Stable Outlook from the Philippine Rating Services Corporation (PhilRatings). The rating was made in relation to ACR's issuance of up to ₱3.0 billion in Commercial Papers (CP).

According to PhilRatings, a company with a PRS Aa rating "has a strong capacity to meet its financial commitments relative to other Philippine corporates." The rating agency assigns a Stable Outlook when a rating is likely to be maintained or to remain unchanged in the next twelve months.

ACR is Mindanao's first private sector power generator providing electricity to over eight 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 MW.

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C04802-2023

Ex-Date : Jun 30, 2023

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Jun 19, 2023
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
    cash dividends declaration

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

Date of Approval by Board of Directors	Jun 19, 2023
Other Relevant Regulatory Agency, if applicable	-
Date of Approval by Relevant Regulatory Agency, if applicable	N/A
Type (Regular or Special)	Regular
Amount of Cash Dividend Per Share	Pho0.02 per share
Record Date	Jul 5, 2023
Payment Date	Jul 24, 2023

Source of Dividend Payment

from the unrestricted retained earnings of the Corporation as of 31 December 2022

Other Relevant Information

none

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

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 June 19, 2023, the Board declared a cash dividend, out of unrestricted retained earnings of the Corporation as of December 31, 2022, of Php0.0008 per share in favor of the preferred stockholders as of record date July 5, 2023 and payable on or before July 24, 2023.

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")
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

19 June 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong****, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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 19 June 2023, the Board approved the declaration of ~~a~~ cash dividends of ₱0.02 ~~per~~ share or a total of ₱125,830,000.00 out of the unrestricted retained earnings of ACR as of 31 December 2022, in favor of holders of common shares as of record date 05 July 2023 and payable on or before 24 July 2023.

Pursuant to the terms of the preferred voting shares, ACR also distributed cash dividends in the amount ₱0.0008 per share or a total of ₱4,400,000.00 out of the unrestricted retained earnings of ACR as of 31 December 2022, in favor of the holders of preferred voting shares as of record date 05 July 2023 and payable on or before 24 July 2023.

Please be guided accordingly.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.
By:

JONATHAN F. JIMENEZ
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 19, 2023
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

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

We furnish the Exchange with a copy of the Press Statement by the Company entitled: "Alsons RE Expansion in Full Swing"

Background/Description of the Disclosure

Please see attached Press Release. (SEC Form 17-C

Other Relevant Information

Disclaimer: This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations. Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

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

June 19, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong***, *Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: "**Alsons RE Expansion in Full Swing**".

We trust that you find the foregoing in order. Thank you.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources Inc

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

Alsons RE Expansion in Full Swing

Alsons Consolidated Resources Inc., (ACR) – the publicly-listed company of the Alcantara Group, sees its focus on renewable energy going into full throttle with the company's first renewable energy plant- the 14.5 mega-watt (MW) Siguil Hydro run-of river hydroelectric plant in Sarangani Province, targeting to begin operating before the end of 2023, and the start of construction of three more renewable energy plants in 2024.

At the company's annual stockholders meeting, ACR Chairman and President Nicasio I. Alcantara said in his chairman's message, "Our expansion into renewable energy is now in full swing with the projected completion of the hydro power plant of ...Siguil Hydro Corporation towards the end of this year." In his message, Mr. Alcantara added," ... other facilities under Sindangan Zambo-River Power Corporation in Zamboanga del Norte and Bago Hydro Resources Corporation in Negros Occidental are progressing well with construction targeted to commence in 2024... Likewise, we will construct our first solar power plant in General Santos next year."

The renewable energy projects targeting to start construction in 2024, as mentioned in Mr. Alcantara's message, include a 37.8 MW combined solar and run- of- river hydro power project in Zamboanga del Norte under the Siayan Hydro brand and a run-of-river hydro power project in Negros Occidental with a target capacity of up to 42 MW. These will start construction along with a planned solar power project in General Santos City.

ACR is Mindanao's first private sector power generator providing electricity to over eight 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 MW.

###

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 19, 2023
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
    item 9 - other items

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 June 19, 2023

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 Meeting of Stockholders' held on 26 May 2022;
2. Approval of the Annual Report of Management and Audited Financial Statements for the year 2022;
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 2023-2024;
5. Election of Directors of the Company for the year 2023-2024

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)
   Jun 19, 2023
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
    item 9 - other items

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

ACR ORGANIZATIONAL MEETING

Background/Description of the Disclosure

Results of the Organizational Meeting of ACR Board of Directors held June 19, 2023, 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 Financial Officer	0	0	-
PHILIP EDWARD B. SAGUN	Deputy Chief Financial Officer	0	0	-
ANA MARIA MARGARITA A. KATIGBAK	Corporate Secretary	0	0	-
JONATHAN F. JIMENEZ	Assistant Corporate Secretary, DPO and Compliance Officer	0	0	-
ALEXIS B. DELA CUESTA	Internal Auditor	0	0	-

List of Committees and Membership

Name of Committees	Members	Position/Designation in Committee
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 (IND.DIR)	Member
Executive & Corporate Governance Committee	JOSE BEN R. LARAYA (IND.DIR)	Member
Executive & Corporate Governance Committee	TIRSO G. SANTILLAN, JR.	Member
Audit, Risk Oversight & Related Party Transaction Committee	JOSE BEN R. LARAYA (IND.DIR)	Chairman
Audit, Risk Oversight & Related Party Transaction Committee	EDITHA I. ALCANTARA	Member
Audit, Risk Oversight & Related Party Transaction Committee	THOMAS G. AQUINO (IND.DIR)	Member
Audit, Risk Oversight & Related Party Transaction Committee	JACINTO C. GAVINO JR. (IND.DIR)	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 (IND.DIR)	Member
Nomination & Election Committee	NICASIO I. ALCANTARA	Chairman
Nomination & Election Committee	TOMAS I. ALCANTARA	Member
Nomination & Election Committee	JOSE BEN R. LARAYA (IND.DIR)	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

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

June 19, 2023

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. Alexandra D. Tom Wong, Officer-In-Charge
Head – Disclosure Department
Listings and Disclosure Group
9th Floor, PSE Tower, BGC, Taguig City

via electronic mail
Philippine Dealing & Exchange Corp.
Attn.: Atty. Marie Rose M. Magallen-Lirio
Head-Issuer Compliance and Disclosures Dept.
Market Regulatory Services Group
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Gentlemen:

We advise that the following matters were taken up and approved at the Annual Stockholders' Meeting and Organizational Board Meeting of Alsons Consolidated Resources, Inc. (the "Company") separately held on 19 June 2023 by remote communication:

A. Annual Stockholders' Meeting

1. Approval of the Minutes of the Annual Meeting of Stockholders' held on 26 May 2022;
2. Approval of the Annual Report of Management and Audited Financial Statements for the year 2022;
3. Ratification of Acts and Resolutions of the Board, its Committees and Management;
4. Re-appointment of Sycip, Gorres, Velayo & Co.as External Auditor for year 2023-2024;
5. Election of the following Directors for the year 2023-2024:
    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 Officers for 2023-2024:

Chairman and President	-	**Nicasio I. Alcantara**
Vice-Chair & Treasurer	-	**Editha I. Alcantara**
Executive Vice President	-	**Tirso G. Santillan, Jr.**
Chief Investment & Strategy Officer	-	**Antonio Miguel B. Alcantara**
VP & Group Chief Financial Officer	-	**Alexander Benhur M. Simon**
Deputy Chief Financial Officer	-	**Philip Edward B. Sagun**
Corporate Secretary	-	**Ana Maria Margarita A. Katigbak**
Assistant Corporate Secretary	-	**Jonathan F. Jimenez**
Internal Auditor (Also known as "Chief Audit Executive)	-	**Alexis B. Dela Cuesta**

2. Appointment of the following chairmen and members of the Board Committees:

Executive & Corporate Governance Committee:
Nicasio I. Alcantara, Chairman
Tomas I. Alcantara
Editha I. Alcantara
Thomas G. Aquino (Ind. Director)
Jose Ben R. Laraya (Ind. Director)
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 (Ind. Director)

Nomination & Election Committee:
Nicasio I. Alcantara, Chairman
Tomas I. Alcantara
Jose Ben. R. Laraya (Ind. Director)
Arturo B. Diago, Jr.

Audit, Risk, Oversight & Related Party Transaction Committee:
Jose Ben R. Laraya, Chairman (Ind. Director)
Editha I. Alcantara
Thomas G. Aquino (Ind. Director)
Jacinto C. Gavino, Jr. (Ind. Director)
Ramon T. Diokno

The Board also designated the undersigned as Data Protection Officer, as well as SEC Compliance Officer and PSE / PDEX Corporate Information Officer.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.
By:

JONATHAN F. JIMENEZ
Assistant Corporate Secretary and
Corporate Information Officer / Compliance Officer

C04868-2023

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Jun 20, 2023
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
    Clarification of New Reports

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 to invest P6 billion in next 3 years" posted in philSTAR.com on June 20, 2023

Source	philSTAR
Subject of News Report	"Alsons to invest P6 billion in next 3 years"
Date of Publication	Jun 20, 2023

Clarification of News Report

Please see attached.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

Alsons Consolidated Resources, Inc.
(Listed in the Philippine Stock Exchange Trading "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

June 20, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We reply to the Philippine Stock Exchange (PSE) email dated June 20, 2023, with respect to the attached news article entitled "Alsons to invest P6 billion in next 3 years" posted in philSTAR.com on June 20, 2023, which article reported, among others, the following:

"MANILA, Philippines — Alsons Consolidated Resources (ACR) of the Alcantara Group plans to invest at least P6 billion in the next three years as the company gears up for further growth with its entry into the renewable energy space.

'We shall continue to invest and expand the company's power generation portfolio in renewable energy projects,' ACR chief investment and strategy officer Antonio Miguel Alcantara said during the company's annual stockholders' meeting yesterday.

.. . . ."

We can confirm that the information contained in the article did indeed come from ACR during the company's annual stockholders' meeting held virtually yesterday, 19 June 2023.

We trust that this sufficiently complies with your requirements. Thank you.

Very truly yours,

JONATHAN F. JIMENEZ
Alsons Consolidated Resources Inc.
Assistant Corporate Secretary
and Compliance Officer

Alsons to invest P6 billion in next 3 years

philstar.com/business/2023/06/20/2275658/alsons-invest-p6-billion-next-3-years/amp

Alsons Consolidated Resources, Inc.

MANILA, Philippines — Alsons Consolidated Resources (ACR) of the Alcantara Group plans to invest at least P6 billion in the next three years as the company gears up for further growth with its entry into the renewable energy space.

“We shall continue to invest and expand the company's power generation portfolio in renewable energy projects,” ACR chief investment and strategy officer Antonio Miguel Alcantara said during the company's annual stockholders' meeting yesterday.

ACR is set to start operations of its 14.5-megawatt (MW) Siguil hydro power plant in Sarangani Province before the end of the year, marking its foray into renewable energy.

“The Siguil project expected to be in commercial operations before end of the year is a significant, but initial investment in the long-term plan,” Alcantara said.

He said the company is likewise working on launching two more projects for its hydro project pipeline.

“We will actively develop and be on the lookout for other hydro-related opportunities,” he said.

Scroll to continue

Meanwhile, Alcantara said ACR is actively working on developing solar power projects in Mindanao and have already identified promising opportunities.

"With the addition of solar as an immediate focus area for our group, we intend to launch our first solar project by the end of 2024," Alcantara said.

"As we expand out of Mindanao, we are in the process of constructing 83-MW inland backup power plant in Bohol to support an upcoming power supply agreement to commence this 2024. This will allow us to establish an immediate foothold in Visayas as another avenue for growth," he said.

ACR's portfolio is composed of four power plants in Mindanao with a total capacity of 468 MW.

ACR, Mindanao's first private sector power generator providing electricity to over eight million people in 14 cities and 11 provinces in the country's second largest island, is looking to finance its pipeline of projects through a combination of project and term loans, as well as internally generated funds.

"We have always been open to cooperation and partnerships with potential equity investors from similar industries, as well as other financial institutions and fund managers in our projects, and we will continue to do so in the upcoming years," Alcantara said.

ACR vice president and chief financial officer Alexander Simon said 2023 is seen to be an even better year for the company.

He said the company's entry into renewable energy projects would be the main driver of its future growth plans in the long term.

"We continue to have a very optimistic view of the year ahead, especially with the advent of WESM in Mindanao, as well as establishing new and renewed partnership with our customers," Simon said.

"We project an even higher revenue and profit margins as we continue to realize incremental business from ancillary services and additional utilization of available capacities. 2023 will also usher in the dawn of the company's first investment in renewable energy," he said.

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 14, 2023
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, MAKATI CITY
   Postal Code
   1231
8. Issuer's telephone number, including area code
   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

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 Net Income Up 70% at P1.17 Billion in the First Half of 2023"

Background/Description of the Disclosure

Please see attached Press Release. (SEC Form 17-C)

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. **August 11, 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **59366**   3. BIR Tax Identification No. **001-748-412**

4. **ALSONS CONSOLIDATED RESOURCES, INC.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of Incorporation

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. **Alsons Bldg., 2286 Chino Roces Extension, Makati City**   **1231**
   Address of principal office   Postal Code

8. **(632) 8982-3000**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

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
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Indicate the item numbers reported herein: **Item 9** (Other Events)

Please see attached Press Release
(For PSE Disclosure Form 4-31)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

JONATHAN E. JIMENEZ
Assistant Corporate Secretary & Compliance Officer
Signature and Title

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

August 11, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: **"Alsons Net Income Up 70% at ₱1.17 Billion in the First Half of 2023."**

We trust that you find the foregoing in order.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

PRESS RELEASE

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc
psagun@alcantaragroup.com

Alsons Net Income Up 70% at ₱1.17 Billion in the First Half of 2023

Alsons Consolidated Resources Inc., (ACR) – the publicly-listed company of the Alcantara Group saw net earnings rise 70% higher to ₱1.17 billion in the first half of 2023 from ₱689 million in the first half of 2022. ACR's net earnings for the second quarter of 2023 also increased significantly to ₱605.28 million 65% higher than the ₱364.93 million earned in the second quarter of 2022.

The company's net income attributable to the parent likewise grew considerably with attributable earnings for the first half of 2023 rising by 91% to ₱346.14 million from ₱180.68 million in the same period last year. Second quarter attributable net earnings were at ₱255.98 in 2023 increasing by 182% from ₱90.51 million in attributable net earnings in the second quarter of 2022.

ACR posted higher revenues of ₱6.9 billion in the first half of 2023 from the ₱5.4 billion in revenue garnered in the first half of 2022. Second quarter revenues were also higher in 2023 at ₱3.6 billion from ₱2.73 billion in the second quarter of 2022.

The company'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.

Another key revenue contributor for ACR for this period was the 100 MW Western Mindanao Power Corporation (WMPC) diesel plant in Zamboanga City. WMPC is the only major power generation facility in the Zamboanga Peninsula, providing power to Zamboanga City and supplying vital ancillary services to the National Grid Corporation of the Philippines to help stabilize the power grid in the Western Mindanao Region.

ACR is now focused on building up its renewable energy capacity in the next few years, with several renewable energy facilities in the company's pipeline. The first of these renewable energy plants is the 14.5 MW Siguil Hydro power plant currently under construction in Maasim, Sarangani, which is targeting to begin operations before the end of this year.

The next two renewable energy facilities slated for development are a hydro and solar power project in Zamboanga del Norte with a potential combined capacity of up to 37.8 MW, and a hydro power project in the Bago River in Negros Occidental with a planned capacity of up to 42 MW.

The company which is Mindanao's first private-sector power generator, 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 in the country's second largest island.

###

Disclaimer: This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations. Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Nov 14, 2023
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, MAKATI CITY
   Postal Code
   1231
8. Issuer's telephone number, including area code
   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

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: "Dynamic Energy market push Alsons Income up 32% P1.8 billion in Q3 alone this year"

Background/Description of the Disclosure

Please see attached ACR Press Release. (SEC Form 17-C)

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. **November 14, 2023**
Date of Report (Date of earliest event reported)

2. SEC Identification Number **59366** 3. BIR Tax Identification No. **001-748-412**

4. **ALSONS CONSOLIDATED RESOURCES, INC.**
Exact name of issuer as specified in its charter

5. **Philippines**
Province, country or other jurisdiction of Incorporation

6. [ ] (SEC Use Only)
Industry Classification Code:

7. **Alsons Bldg., 2286 Chino Roces Extension, Makati City**
Address of principal office

1231
Postal Code

8. **(632) 8982-3000**
Issuer's telephone number, including area code

9. **N/A**
Former name or former address, if changed since last report

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
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Indicate the item numbers reported herein: **Item 9** (Other Events)

Please see attached Press Release
(For PSE Disclosure Form 4-31)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

JONATHAN F. JIMENEZ
Assistant Corporate Secretary & Compliance Officer
Signature and Title

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

November 14, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: **"Dynamic energy market push Alsons Income up 32% ₱1.8 billion in Q3 alone this year."**

We trust that you find the foregoing in order.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc.

PRESS RELEASE(Q3)

Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc
psagun@alcantaragroup.com

Dynamic energy market push Alsons income up 32% P1.8 billion in Q3 alone this year

The growing energy market continues to give growth opportunities for Mindanao power player Alsons Consolidated Resources Inc. (ACR) leading to a steady net earnings of P1.8 billion for the first three quarters of 2023, a 32% jump year-on-year, from last year's Q3 earnings of P1.35 billion.

This translates to ACR's net income attributable to its parent company, the Alcantara Group, growing by 12%, or P504.6 million compared to P451.1 million in the same period last year.

ACR displayed a steady 9-month revenue growth of 8%, or an upsurge to P10 billion from 2022's first 9-month income of P9.3 billion.

ACR remains a vital energy market participant in Mindanao, via its 210 mega-watt (MW) Sarangani Energy Corporation (SEC) baseload power plant, a facility that continues to provide power to key areas in Mindanao including Sarangani Province, General Santos, Cagayan de Oro, Iligan, Dipolog, Dapitan, Pagadian, Samal, Tagum, Kidapawan, and Butuan.

The company's 100 MW Western Mindanao Power Corporation (WMPC) diesel plant in Zamboanga City and the 103 MW Mapalad Power Corporation (MPC) diesel plant in Iligan City, remains to play a vital role in supplying ancillary services to the National Grid Corporation of the Philippines to help stabilize the power grid in the Western Mindanao Region.

Setting sights on the high potential of the emerging renewable market, ACR is focused on building its RE capacity over the next few years, with several renewable energy facilities in the company's pipeline. First on the pipeline in its RE portfolio, is the ACR's 14.5 MW Siguil Hydro power plant which is on track for completion by year end.

ACR continues to expand its foothold in the Mindanao region with the development of a combined hydro and solar power project in Zamboanga del Norte with a potential combined capacity of up to 37.8 MW. It is also venturing into the Visayas energy market with its hydro power project in the Bago River in Negros Occidental with a planned capacity of up to 42 MW.

In a recent energy and business summit in Mindanao, ACR committed to "go the extra mile in balancing its traditional and renewable energy portfolio to balance company goals, sustainability and environmental aspirations."

The company 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 in the country's second largest island.

####

Disclaimer. This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and opportunities that could affect the Company's business and results of operations Although the Company believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action, or events.

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 15, 2023
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, MAKATI CITY
   Postal Code
   1231
8. Issuer's telephone number, including area code
   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

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, 3rd tranche Commercial Paper program

Background/Description of the Disclosure

Please see attached.

Other Relevant Information

-

Filed on behalf by:

Name	Jose Saldivar, Jr.
Designation	Finance Manager

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

November 15, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong,*** *Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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, 3rd tranche**

Gentlemen:

Please be informed that Alsons Consolidated Resources, Inc. (the "Company") received today from the Securities and Exchange Commission - Markets and Securities Regulations Department the **Certificate of Permit to Offer Securities for Sale** covering the registration of "ONE BILLION ONE HUNDRED FORTY NINE MILLION PESOS (P1,149,000,000.00) worth of Commercial Papers", copy attached. These securities represent the third (3rd) tranche issuance, and form part, of the Three Billion Pesos (P3,000,000,000.00) Commercial Paper Program of the Company.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.
By:

JONATHAN F. JIMENEZ
Assistant Corporate Secretary and
Corporate Compliance Office

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 ONE BILLION ONE HUNDRED FORTY NINE MILLION PESOS (PhP1,149,000,000.00) worth of Commercial Papers consisting of 182-day Series X Commercial Papers with discount rate of 7.9054% per annum and 364-day Series Y Commercial Papers with discount rate of 8.6107% covered under SEC MSRD Order No. 90, Series of 2022 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 third (3rd) tranche commercial papers that forms part of the Three Billion Pesos (PhP3,000,000,000.00) Commercial Paper Program.

Issued at Makati City, Philippines this 14th day of November Two Thousand and Twenty-three.

VICENTE GRACIANO P. FELIZMENIO, JR.
Director

C08399-2023

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
   Nov 29, 2023
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, MAKATI CITY
   Postal Code
   1231
8. Issuer's telephone number, including area code
   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

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 Successfully Raises Php1.149 Billion from the 3rd Tranche of the Php3 Billion Commercial Paper Program, Paving the Way for an Enhanced Power Portfolio Expansion".

Background/Description of the Disclosure

Please see attached ACR Press Release. (SEC Form 17-C)

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 November 29, 2023
Date of Report (Date of earliest event reported)

2. SEC Identification Number 59366 3 BIR Tax Identification No 001-748-412

4. ALSONS CONSOLIDATED RESOURCES, INC.
Exact name of issuer as specified in its charter

5 Philippines
Province, country or other jurisdiction of Incorporation

6 (SEC Use Only)
Industry Classification Code:

7. Alsons Bldg., 2286 Chino Roces Extension, Makati City 1231
Address of principal office Postal Code

8. (632) 8982-3000
Issuer's telephone number, including area code

9 N/A
Former name or former address, if changed since last report

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
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11 Indicate the item numbers reported herein. Item 9 (Other Events)

Please see attached Press Release
(For PSE Disclosure Form 4-31)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

JONATHAN P. JIMENEZ
Assistant Corporate Secretary & Compliance Officer
Signature and Title

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

November 29, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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

Gentlemen:

We furnish the Exchange with a copy of the Press Statement by the Company entitled: **"Alsons Successfully Raises Php1.149 Billion from the 3rd Tranche of the Php3 Billion Commercial Paper Program, Paving the Way for an Enhanced Power Portfolio Expansion".**

We trust that you find the foregoing in order. Thank you.

Very truly yours,

JONATHAN F. JIMENEZ
Assistant Corporate Secretary
and Compliance Officer

Alsons Consolidated Resources, Inc

PRESS RELEASE

Please Refer to: Philip E.B. Sagun, Deputy Chief Financial Officer, Alsons Consolidated Resources, Inc.
psagun@alcantaragroup.com

Alsons Successfully Raises Php1.149 Billion from the 3rd Tranche of the Php3 Billion Commercial Paper Program, Paving the Way for an Enhanced Power Portfolio Expansion

Alsons Consolidated Resources (ACR), a key player in the Mindanao energy landscape and the publicly-listed company of the Alcantara Group, announced the successful third tranche issuance of its PHP 3 billion Commercial Paper program.

The latest issuance, valued at PHP 1.149 billion, has been listed on the Philippine Dealing and Exchange Corporation (PDEx). The proceeds derived from this will primarily be used for ACR's general working capital, showcasing the company's unwavering commitment to steering economic progress in Mindanao.

Earlier this year, ACR received an Issuer Credit Rating of PRS Aa minus from the Philippine Rating Service Corporation in relation to the company's P3.0 billion Commercial Paper program.

ACR is committed to strengthening its renewable energy projects, aiming for at least 50% of its energy mix to come from renewable sources. ACR is currently taking center stage with its renewable energy (RE) initiatives, highlighted by its first RE facility - the 14.5 MW Siguil Hydro Power plant in Sarangani, projected to be completed by the end of 2023. Additionally, ACR has embarked on the development of a hybrid hydro and solar power project in Zamboanga del Norte and a hydro power project on the Bago River in Negros Occidental. These ventures feature capacities of up to 37.8 megawatts and up to 42 megawatts, respectively.

With a portfolio of four power facilities with a combined capacity of 468 MW, ACR serves over eight million individuals across 14 cities and 11 provinces in Mindanao.

###

CR07980-2023

Alsons Consolidated Resources, Inc.
ACR

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	ACR Advisement Letter on Attendance of Directors and Officers in Corporate Governance Training 2023
Report Period/Report Date	Nov 30, 2023

Description of the Disclosure

Please see attached Certificates of Participation.

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. **November 30, 2023**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **59366**   3. BIR Tax Identification No. **001-748-412**

4. **ALSONS CONSOLIDATED RESOURCES, INC.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of Incorporation

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. **Alsons Bldg., 2286 Chino Roces Extension, Makati City**   **1231**
   Address of principal office   Postal Code

8. **(632) 8982-3000**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

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
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Indicate the item numbers reported herein: **Item 9** (Other Events)

We furnish herewith the Commission with the attached ACR Advisement Letter
Re: Corporate Governance Seminar Attended by the Directors and Key Officers of ACR

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

JONATHAN E. JIMENEZ
Assistant Corporate Secretary & Compliance Officer
Signature and Title

November 30, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong,*** Officer-In-Charge
Disclosure Department Listings and Disclosure Group
9th 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 : **ACR Advisement Letter on Corporate Governance Seminar**

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 Seminar** held on November 23, 2023, Thursday, conducted by the Philippine Chamber of Commerce and Industry (PCCI), 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.	Ramon T. Diokno	Director
8.	Jose Ben R. Laraya	Independent Director

9.	Jacinto C. Gavino, Jr	Independent Director
10.	Thomas G. Aquino	Independent Director
11.	Antonio Miguel B. Alcantara	Chief Investment and Strategy Officer
12.	Alexander Benhur M. Simon	VP & Group Chief Financial Officer
13.	Alexis B. Dela Cuesta	Internal Auditor
14.	Carina U. Matutina	Comptroller
15.	Jose D. Saldivar, Jr.	Finance Manager
16.	Jonathan F. Jimenez	Assistant Corporate Secretary, Data Protection Officer and Compliance Officer

The ACR Corporate Secretary, Atty. Ana Maria Margarita A. Katigbak-Lim, attended her separate zoom webinar last August 3, 2023, conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc.; while Mr. Honorio A. Poblador III, a director, attended his Corporate Governance Webinar on September 26, 2023, which was conducted by Institute of Corporate Directors (ICD) and Mr. Philip Edward B. Sagun, the Deputy Chief Financial Officer also attended his Corporate Governance Seminar conducted by Institute of Corporate Directors (ICD) on July 23, 2023.

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:

JONATHAN F. JIMENEZ
Assistant Corporate Secretary and
Compliance Officer

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Nicasio I. Alcantara

President

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office

Signed on the 23rd day of November 2023.

GEORGE T. BARCELON	**EDGARDO G. LACSON**
President	Chairman
Philippine Chamber of Commerce and Industry	Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE
OF PARTICIPATION

This is to certify that

Tomas I. Alcantara

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Editha I. Alcantara

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Alejandro I. Alcantara

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office

Signed on the 23rd day of November 2023.

GEORGE T. BARCELON	**EDGARDO G. LACSON**
President	Chairman
Philippine Chamber of Commerce and Industry	Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Tirso G. Santillan, Jr.

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Arturo B. Diago, Jr.

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Ramon T. Diokno

Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office

Signed on the 23rd day of November 2023.

GEORGE T. BARCELON	**EDGARDO G. LACSON**
President	Chairman
Philippine Chamber of Commerce and Industry	Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Jose Ben R. Laraya

Independent Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Jacinto C. Gavino, Jr.

Independent Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON	**EDGARDO G. LACSON**
President	Chairman
Philippine Chamber of Commerce and Industry	Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Thomas G. Aquino

Independent Director

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Antonio Miguel B. Alcantara

Chief Investment & Strategy Officer

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Alexander Benhur M. Simon

Group Chief Financial Officer

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Alexis B. Dela Cuesta

Internal Auditor

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Carina U. Matutina

Comptroller

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE

OF PARTICIPATION

This is to certify that

Jose D. Saldivar, Jr.

Asst. Comptroller/Finance Manager

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON
President
Philippine Chamber of Commerce and Industry

EDGARDO G. LACSON
Chairman
Corporate Governance Committee

Philippine Chamber of Commerce and Industry

CERTIFICATE
OF PARTICIPATION

This is to certify that

Jonathan F. Jimenez

Corporate Secretary (ACRMC)

has participated in the

CORPORATE GOVERNANCE SEMINAR
ALSONS CONSOLIDATED RESOURCES, INC.

held on 23rd November 2023, 1:00 PM at the Alsons Power Office
Signed on the 23rd day of November 2023.

GEORGE T. BARCELON	**EDGARDO G. LACSON**
President	Chairman
Philippine Chamber of Commerce and Industry	Corporate Governance Committee

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Atty. Ana Maria A. Katigbak

for having completed the webinar on

CORPORATE GOVERNANCE

held on 3 August 2023 through Zoom Meeting

Benjamin I. Espiritu, Ph.D.
President

Institute of Corporate Directors

presents this

Certificate of Participation

to

Honorio A. Poblador III

Anglo Philippine Holding Corporation

for having completed the

Advanced Corporate Governance Training

held on
September 26, 2023 | 1:00 PM - 5:00 PM
through Zoom Meetings

Carlos Jose P. Gatmaitan
Chief Executive Officer

ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Philip Edward Sagun

Alsons Consolidated Resources Inc.

for having participated in the

3RD SENIOR FINANCE LEADERSHIP PROGRAM

Influencing Board Governance from the CFO Seat

held on

July 23, 2023 | 2:00 PM - 4:00 PM

at The Hub @ Makati Extension Campus &

July 29, 2023 | 2:00 PM - 4:00 PM

through Zoom Meetings

Carlos Jose P. Gatmaitan

Chief Executive 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)
   Dec 14, 2023
2. SEC Identification Number
   59366
3. BIR Tax Identification No.
   001-748-412
4. Exact name of issuer as specified in its charter
   ALSONS CONSOLIDATED RESOURCES INC.
5. Province, country or other jurisdiction of incorporation
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   ALSONS BLDG., 2286 CHINO ROCES AVENUE, MAKATI CITY
   Postal Code
   1231
8. Issuer's telephone number, including area code
   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 4-Resignation, Removal or Election of Registrant's Directors or Officers

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

Retirement of the Group Chief Financial Officer

Background/Description of the Disclosure

The Board in its 14 December 2023 special board meeting, accepted the optional retirement of its Group Chief Financial Officer, Mr. Alexander Benhur M. Simon, effective by the close of business on 31 December 2023,

Resignation/Removal or Replacement

Name of Person	Position/Designation	Effective Date of Resignation/Cessation of term (mmm/dd/yyyy)	Reason(s) for Resignation/Cessation
ALEXANDER BENHUR M. SIMON	Group Chief Financial Officer	12/31/2023	retirement

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	
-	-	-	-	-	- --	

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	
--	-	-	-	-	-	- -	

Other Relevant Information

Please see attached SEC Form 17-C.

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. December 14, 2023
Date of Report (Date of earliest event reported)

2. SEC Identification Number 59366 3. BIR Tax Identification No. 001-748-412

4. ALSONS CONSOLIDATED RESOURCES, INC.
Exact name of issuer as specified in its charter

5. Philippines
Province, country or other jurisdiction of incorporation

6. [ ] (SEC Use Only)
Industry Classification Code:

7. Alsons Bldg., 2286 Chino Roces Extension, Makati City 1231
Address of principal office Postal Code

8. (632) 8982-3000
Issuer's telephone number, including area code

9. N/A
Former name or former address, if changed since last report

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
Common Stock ₱1.00 par value	**6,291,500,000 Shares**

11. Indicate the item numbers reported herein: Item 4 (Resignation, Removal or Election of Registrant's) Directors or Officers)

We advise you of the acceptance by the Board of Directors of the optional retirement of the Corporation's Group Financial Officer, Mr. Alexander Benhur M. Simon effective by the close of business on 31 December 2023.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALSONS CONSOLIDATED RESOURCES, INC.
Issuer

By:

JONATHAN F. JIMENEZ
Assistant Corporate Secretary & Compliance Officer
Signature and Title

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

December 14, 2023

via PSE Edge
Philippine Stock Exchange, Inc.
Attn.: ***Ms. Alexandra D. Tom Wong**, Officer-In-Charge*
Disclosure Department Listings and Disclosure Group
9th 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: **Retirement of Mr. Alexander Benhur M. Simon**

Gentlemen:

Please be informed of the retirement of our Vice President and Group Chief Financial Officer, Mr. Alexander Benhur M. Simon, effective by the close of business on 31 December 2023.

Our Deputy Chief Financial Officer, Mr. Philip Edward B. Sagun, and our Comptroller, Ms. Carina U. Matutina shall act as Officers-in-Charge in the interim pending the appointment of our succeeding Chief Financial Officer.

Very truly yours,

ALSONS CONSOLIDATED RESOURCES, INC.
By:

JONATHAN E. JIMENEZ
Assistant Corporate Secretary and
Corporate Compliance Officer

Annual Corporate Governance Report for 2023

Securities and Exchange Commission

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2022**

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:

7. **ALSONS Bldg., 2286 Chino Roces Avenue, Makati City**
   Address of principal office
   1231
   Postal Code

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 and other stakeholders."			
Recommendation 1.1			
"1. The Board is composed of directors with a collective working knowledge, experience, or expertise that is relevant to the Company's industry/sector."	Compliant	As set forth in the Company's Information Statement pursuant to Section 20 of the Securities Regulation Code ("20-IS") filed with the Commission and made available in www.acr.com.ph/filings.php as "I. 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 also 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. The 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. The 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. The Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors."	Compliant	In www.acr.com.ph/corp_governance.php, the Company's New Manual on Corporate Governance, 1.3, provides that "The Company shall train its Directors, and provide an orientation program for first-time Directors and relevant annual continuing training for all Directors." The Company also ensures that all of its Directors attend a seminar on corporate governance annually.	
"2. The Company has an orientation program for first time directors."	Compliant		
"3. The Company has relevant annual continuing training for all directors."	Compliant		
Recommendation 1.4			
"1. The Board has a policy on board diversity."	Compliant	The Company's Board approved its Board Diversity Policy on 24 April 2017 along with the New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php.	
Optional Recommendation 1.4			
"1. The Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives."	Compliant	The Company's Board Diversity Policy of 24 April 2017, attached to the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, shows the Company has a policy on, and discloses, measurable	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
		objectives for implementing its board diversity, and reports on progress in achieving its objectives.	
Recommendation 1.5			
"1. The 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 www.acr.com.ph, the Board always appoints a Corporate Secretary who assists the Board, but who is not the Compliance Officer, or a Director, and who attends the annual corporate governance seminars. The qualifications and duties of the Corporate Secretary are set forth in the Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 1.5.	
"2. The Corporate Secretary is a separate individual from the Compliance Officer."	Compliant		
"3. The Corporate Secretary is not a member of the Board of Directors."	Compliant		
"4. The Corporate Secretary attends training/s on corporate governance."	Compliant		
Recommendation 1.6			
"1. The Board is assisted by a Compliance Officer."	Compliant	As set forth in the Company's filings and disclosures, all found at www.acr.com.ph, the Board – since the requirement was imposed – always appoints a Compliance Officer who assists the Board, who has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company, who is not a Director, and who attends the annual corporate governance seminars. The qualifications and duties of the Compliance Officer are set forth in the Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 1.6.	
"2. The Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation."	Compliant		
"3. The Compliance Officer is not a member of the Board."	Compliant		
"4. The 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 www.acr.com.ph, the Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.	
Recommendation 2.2			
"1. The 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 www.acr.com.ph, the Board oversees and/or monitors the development, review, approval, and implementation of the Company's business objectives and strategy.	
"2. The Board oversees and monitors the implementation of the company's business objectives and strategy."			
Supplement to Recommendation 2.2			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"1. The Board has a clearly defined and updated vision, mission and core values."	Compliant	The Company's vision, mission, and core values are all found at www.acr.com.ph/mission_vision.php.	
"2. The 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. The Board is headed by a competent and qualified Chairperson."	Compliant	As set forth in the 20-IS, and found in www.acr.com.ph/filings.php, the Board is headed by a competent and qualified Chairman, Mr. Nicasio I. Alcantara.	
Recommendation 2.4			
"1. The Board ensures and adopts an effective succession planning program for directors, key officers and management."	Compliant	The Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 2.4, states: "Subject to the Company's size, risk profile and complexity of operations, the Board may include in this program a retirement age for Directors and Officers as part of Management succession and to promote dynamism in the Company."	
"2. The Board adopts a policy on the retirement for directors and key officers."			
Recommendation 2.5			
"1. The Board aligns the remuneration of key officers and board members with long-term interests of the company."	Compliant	The New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 2.5, states: "Subject to the Company's size, risk profile and complexity of operations, the Board may align the remuneration of Officers with the Company's long-term interests, and adopt a policy specifying the relationship between remuneration and performance. The By-Laws shall govern the remuneration of Directors." 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 diems (Board Resolution N° ACR 2012/III-03, ratified by the stockholders on 18 May 2012).	
"2. The Board adopts a policy specifying the relationship between remuneration and performance."			
"3. Directors do not participate in discussions or deliberations involving his/her own remuneration."			
Optional: Recommendation 2.5			
"1. The Board approves the remuneration of senior executives."	Compliant	The Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 2.5,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses."		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." 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 per diem (Board Resolution No ACR 2012/III-03, ratified by the stockholders on 18 May 2012).	
Recommendation 2.6			
"1. The 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 www.acr.com.ph/corp_governance.php. The said Policy includes how the Company accepts nominations from minority shareholders, and how the Board shortlists candidates.	
"2. The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance."			
"3. The Board nomination and election policy includes how the company accepted nominations from minority shareholders."			
"4. The Board nomination and election policy includes how the board shortlists candidates."			
"5. The 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 www.acr.com.ph/corp_governance.php.	
"6. The 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 www.acr.com.ph/corp_governance.php, is the process for identifying the quality of directors that is aligned with the strategic direction of the Company.	
Optional: Recommendation 2.6			
"1. The Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies)	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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
when searching for candidates to the Board of Directors."		to using professional search firms if searching for candidates to the board of directors.	
Recommendation 2.7			
"1. The 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." "2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness, and transparency of the transactions."	Compliant	The Board has adopted a group-wide RPT policy, and it is set forth in www.acr.com.ph/company_policy.php, which policy guarantees fairness and transparency of the transactions.	
"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 www.acr.com.ph/company_policy.php, encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations	
Supplement to Recommendation 2.7			
"1. The Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* 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. The 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. The Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other	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,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)."		the Corporate Secretary, the Chief Audit Executive, and other officers of the Company.	
"2. The 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. The Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management."	Compliant	As set forth in the Company's New Corporate Governance Manual, 2.9, found in www.acr.com.ph/corp_governance.php, the Board ensures that the performance by Management, including the Chief Executive Officer and other personnel, is at par with the standards set by the Board.	
"2. The Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management."	Compliant	Consistent with the Company's New Corporate Governance Manual, 2.9, found in www.acr.com.ph/corp_governance.php, the Board also ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	
Recommendation 2.10			
"1. Board oversees that an appropriate internal control system is in place."	Compliant	Consistent with the Company's New Corporate Governance Manual, 2.10, found in www.acr.com.ph/corp_governance.php, the Board "shall establish an appropriate Internal control system, set up a mechanism for monitoring and managing potential conflicts of interest of Management, Directors, and shareholders, and approve the internal audit charter."	
"2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders."			
"3. The Board approves the Internal Audit Charter."			
Recommendation 2.11			
"1. The Board oversees that the Company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks."	Compliant	The Board has adopted an ERM framework as found in www.acr.com.ph/ent_risk_management.php, where it has identified some of the risks to which the Company and its subsidiaries are exposed, and the measures to manage each of such risks. This ERM framework effectively identifies, monitors, assesses and manages key business risks.	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
"2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies."		The ERM framework found in www.acr.com.ph/ent_risk_management.php also guides the Board in identifying units/business lines and enterprise-level risk exposures, and assists the Board in assessing the effectiveness of its risk management strategies.	
Recommendation 2.12			
"1. The 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 www.acr.com.ph/corp_governance.php, 2.12, states: "The Board shall formulate its charter that: (i) clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties; (ii) serves as a guide in the performance of the Board's functions; (iii) is publicly available; and (iv) is posted on the Company's website."	
"2. The Board Charter serves as a guide to the directors in the performance of their functions."			
"3. The 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 www.acr.com.ph/company_policy.php.	
"Optional: Principle 2"			
"1. The 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 www.acr.com.ph/company_policy.php, which policy covers "loans to directors," if any, and which ensures that the transaction is conducted at arm's length basis and at market rates, therefore guaranteeing fairness and transparency of the transactions.	
"2. The 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 www.sec.gov.ph/laws-rules-decisions-and-resolutions/legislation/, on which Board decisions are subject to disclosure.	
" Principle 3: The 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. The 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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		responsibilities. These committees are set forth in www.acr.com.ph.	
Recommendation 3.2			
"1. The 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 www.acr.com.ph, the Board has established its Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations	
"2. The 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 www.acr.com.ph, the Audit Committee of five Directors is composed of three appropriately qualified Non-Executive Directors, and they constitute the majority of the Committee. The Chairman of the Audit Committee is an independent Director, Mr. Jose Ben R. Laraya.	
"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 www.acr.com.ph/filings.php, 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 www.acr.com.ph, the Chairman of the Audit Committee is Mr. Jose Ben R. Laraya, is not the Chairman of the Board, or of any other committee.	
Supplement to Recommendation 3.2			
"1. The Audit Committee approves all non-audit services conducted by the external auditor."	Compliant	As set forth in the Company's New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php, 3.2.2, the Audit Committee "(e)valuates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the external auditor's duties as an external auditor or may pose a threat to his/her independence."	
"2. The Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present."	Compliant	The Audit Committee regularly conducts meetings and dialogues with the Company's external auditors without anyone from management present.	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
Optional Recommendation 3.2			
"1. The Audit Committee meets 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. The 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 www.acr.com.ph/corp_governance.php, 3.2(c), first sentence, the Audit Committee recommends the appointment of the internal auditor.	
Recommendation 3.3			
"1. The 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 www.acr.com.ph, the Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities.	
"2. The Corporate Governance Committee is composed of at least three members, all of whom should be independent directors."	Non-Compliant		Since the Corporate Governance Committee is also the Executive Committee, only 2 of the independent directors sit therein. 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.
"3. The 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. The Corporate Governance Committee meets 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. The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight	Compliant	The Company's New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 3.4, in part, states: "The Board, taking into consideration the	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
of a company's Enterprise Risk Management system to ensure its functionality and effectiveness."		Company's size, risk profile and complexity of operations, may establish a separate risk oversight committee that shall be responsible for the oversight of the Company's ERM system to ensure its functionality and effectiveness." Currently, the Board has established the Audit Committee as the Audit, Risk Management, and Related Party Transaction Committee, which is responsible for, among others, the oversight of a Company's ERM system.	
"2. The 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 www.acr.com.ph, the Chairman of the Audit, Risk Management, and Related Party Transaction Committee is Mr. Jose Ben R. Laraya, who is not the Chairman of the Board, or of any other committee.	
"4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management."	Compliant	As set forth in the 20-IS, and found in www.acr.com.ph/filings.php, all the members of the Audit, Risk Management, and Related Party Transaction Committee have relevant and thorough knowledge and experience on risk and risk management.	
Recommendation 3.5			
"1. The 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. The RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman."	Compliant	As set forth in the disclosures and filings found in www.acr.com.ph/filings.php, three of the five members of the Audit, Risk Management, and Related Party Transaction Committee are non-executive Directors, and the Chairman of this Committee is an independent Director.	
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 www.acr.com.ph/filings.php, and these state in plain terms their respective purposes, memberships, structures,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		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 www.acr.com.ph/filings.php provide standards for evaluating the performance of the respective Committees.	
"3. Committee Charters were fully disclosed on the company's website."	Compliant	All Committee Charters set forth in the articles of incorporation, as amended, the by-laws, as amended, the New Corporate Governance Manual, and other documents are found in www.acr.com.ph.	
"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 www.acr.com.ph/disclosure.php, "Report on Attendance of Directors at 2022 Board of Directors Meetings," 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 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 www.acr.com.ph, if non-executive Directors concurrently serve in publicly-listed companies, none of such companies exceed five in number.	
Recommendation 4.3			

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 www.acr.com.ph, the Independent Directors have undertaken to notify the Company's Board if there are any changes about to occur in their qualifications, including the acceptance of a directorship in another company.	
Optional Principal 4			
"1. The 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 www.acr.com.ph, the Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	
"2. The 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 2022.	
"3. ."	Compliant	This "Optional: Principle 4, N° 3, was left blank in the SEC Form I-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. The Board of Directors meet at least six times during the year."	Compliant	As set forth in www.acr.com.ph/disclosure.php, "Report on Attendance of Directors at 2022 Board of Directors Meetings" document, the Directors held at least 6 meetings in 2022. 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 www.acr.com.ph, the Board of Directors has three Independent Directors.	
Recommendation 5.2			

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
"1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions."	Compliant	As set forth in the documents in www.acr.com.ph, the three Independent Directors possess all the qualifications and none of the disqualifications to hold the positions.	
Supplement to Recommendation 5.2			
"1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently."	Compliant	There are no agreements or other arrangements that constrain the Directors' ability to vote independently.	
Recommendation 5.3			
" 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"	Compliant	The current Independent Directors served a cumulative term of ten years from 2012, and the Board, before, and during, the annual stockholders' meeting of May 26, 2022, 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.	
Recommendation 5.4			
"1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals."	Non-compliant		The New Corporate Governance Manual, found in www.acr.com.ph/corp_governance.php, provides in Article 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 determined that the positions of Chairman and CEO should be held by separate individuals. 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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		Manual on Corporate Governance, and these are different from the responsibilities of the Chairman.	
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."	Compliant	As set forth in the New Manual on Corporate Governance, found in www.acr.com.ph, 5.7, "The Non-Executive Directors shall meet periodically with the external auditor and heads of the internal audit, compliance and risk functions without any Executive Directors present and an Independent Director shall chair these meetings."	
"2. The meetings are chaired by the lead independent director."			
Optional Principle 5			
"1. None of the directors is a former CEO of the company in the past 2 years."	Compliant	As set forth in the filings and disclosures in www.acr.com.ph, none of the Directors is a former Chief Executive Officer of the Company in the past 2 years.	
"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 www.acr.com.ph/corp_governance.php, 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 www.acr.com.ph/corp_governance.php, 6.1, first sentence, the Board shall conduct an annual assessment of the performance of the Chairman, which could include a self-assessment.	
"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	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
		www.acr.com.ph/corp_governance.php, 6.1, first sentence, the "Board shall conduct an annual self-assessment of its performance," which could include individual self-assessments.	
"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 www.acr.com.ph/corp_governance.php, 6.1, first sentence, the "Board shall conduct an annual self-assessment of the …committees," which could include self-assessments by each Committee.	
"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 www.acr.com.ph/corp_governance.php, 6.1, last sentence, "(e)very 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 www.acr.com.ph/corp_governance.php, 6.2, "The Board shall establish a system that provides criteria and processes to assess its performance and that of individual Directors and committees, and allows for a feedback mechanism from the shareholders."	
"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 www.acr.com.ph/company_policy.php, which Code provides standards for professional and ethical behavior. It also articulates acceptable and unacceptable conduct and practices in internal and external dealings of the Company.	
"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 www.acr.com.ph/company_policy.php, 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 www.acr.com.ph/company_policy.php.	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
Supplement to Recommendation 7.1			
"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 www.acr.com.ph/company_policy.php, which has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	
Recommendation 7.2			
"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 www.acr.com.ph/company_policy.php, 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 www.acr.com.ph/corp_governance.php, 8.1, states: "The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other Stakeholders that gives a fair and complete picture of a Company's financial condition and business operations."	
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 www.acr.com.ph/filings.php and in www.acr.com.ph/disclosure.php, the Company does distribute or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions, and makes public: consolidated financial statements within ninety (90) days from the end of the fiscal year, and interim reports within forty- five (45) days from the end of the reporting period.	
"2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership	Compliant	As set forth in the annual reports in www.acr.com.ph, 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-	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company."		holdings among the Company's affiliates; and any 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 www.acr.com.ph/corp_governance.php, 8.2, states, "The Company shall require **all Directors and officers** to disclose/report to the Company any dealings in the Company's shares within three business days."	
"2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days."	Compliant		
Supplement to Recommendation 8.2			
"1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 8.2, states, "The Company shall require **all Directors and officers** to disclose/report to the Company any dealings in the Company's shares within three business days." 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 www.acr.com.ph/corp_governance.php, 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	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 8.4, first sentence,	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
Board remuneration, including the level and mix of the same."		states, "The Company shall clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same..."	
"2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same."			
"3. Company discloses the remuneration on an individual basis, including termination."	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 8.4, first sentence, states, "The Company shall clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same..." However, Directors are not employees who are subject to "termination", and as the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 8.4, last sentence, states, "The Board shall balance the need to keep private sensitive information and the need to disclose the remuneration, termination, and/or retirement of individuals."	
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 www.acr.com.ph/corp_governance.php, 8.5, first in part, states, "The Company shall disclose its policies on RPTs and other unusual or infrequently occurring transactions. The material or significant RPTs reviewed and approved during the year should be disclosed..."	
"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 acqusition or disposal	Compliant	As the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 8.6, states, "The Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders."		occurs, particularly on the acquisition or disposal of significant assets that could adversely affect the viability or the interest of its shareholders and other Stakeholders."	
"2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquistion 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 www.acr.com.ph/corp_governance.php, 8.7, states: "The Company's Corporate Governance policies, programs and procedures, once finalized and approved by the Board, should be posted on the Company's website."	
"2. Company's MCG is submitted to the SEC and PSE."	Compliant	The Company submitted its New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, to the SEC and to the PSE on 14 September 2017.	
"3. Company's MCG is posted on its company website."	Compliant	The Company's New Manual on Corporate Governance is found in www.acr.com.ph/corp_governance.php.	
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 www.acr.com.ph/corp_governance.php.	
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 www.acr.com.ph/filings.php, and other documents therein, discloses the Company's: (a) Corporate Objectives; (b) Financial performance indicators; (c) Non-financial performance indicators; (d) Dividend Policy; (e) Biographical details such as age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies of all Directors; (f) Attendance details of each director in all directors meetings held during the year; (g) Total remuneration of each member of the board of directors.	
"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 www.acr.com.ph/filings.php, contains the Company's 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.	
"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 www.acr.com.ph/filings.php, and other documents therein, discloses and demonstrates that the Board of Directors conducted a review of the Company's material controls - including operational, financial and compliance controls - and risk management systems.	
"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 www.acr.com.ph/filings.php, and other documents therein, disclose and demonstrate that the Board of Directors found the Company's internal controls/risk management systems adequate.	
"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 www.acr.com.ph/filings.php, 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." "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."	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php, 9.1, first sentence states: "The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and the fees of the external auditor, subject to Board approval and shareholders' ratification."	
"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 www.acr.com.ph/corp_governance.php, 9.1, second sentence states: "The reasons for removal or change of external auditor shall be disclosed to the regulators and the public through the Company website and required disclosures."	
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' 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 www.acr.com.ph/corp_governance.php, 9.2 (a) through (c), "The Audit Committee charter shall include the Committee's responsibility on: (a) assessing the integrity and independence of external auditors; (b) exercising effective oversight to review and monitor the external auditor's independence and objectivity; (c) the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements; and (d) reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	
"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 www.acr.com.ph/corp_governance.php, 9.2 (d), "The Audit Committee charter shall include the Committee's responsibility on: … (d) reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	
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			
"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	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 9.3, first sentence, "The Company shall disclose the nature of non-audit services performed by its external auditor in the annual report to deal with the potential conflict of interest."	
"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 www.acr.com.ph/corp_governance.php, 9.3, second sentence, "The Audit Committee shall be alert for any potential conflict of interest situations and follow guidelines or policies on non-audit services that could impair the external auditor's objectivity."	
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 www.sec.gov.ph, 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, environmental, social and governance	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 10.1, "The Board shall formulate and implement a clear and focused policy on the disclosure of non-financial information, with	

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
(EESG) issues of its business, which underpin sustainability."		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, www.acr.com.ph, the same discloses up-to-date information on the Company's (a) Financial statements/reports (latest quarterly); (b) Materials provided in briefings to analysts and media; (c) Downloadable annual report; (d) Notice of ASM; (e) Minutes of ASM; (f) Articles of Incorporation and By-Laws.	
Additional Recommendation to Principle 11			
"1. Company complies with SEC-prescribed website template."	Compliant	As demonstrated by the Company's website, www.acr.com.ph, the Company complies with SEC-prescribed website template.	
Internal Control System and Risk Management Framework			
"Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework."			
Recommendation 12.1			
"1. Company has an adequate and effective internal control system in the conduct of its business." "2. Company has an adequate and effective enterprise risk management framework in the conduct of its business."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 12.1, "The Board, taking into account the Company's size, risk profile and complexity of operations, may establish an adequate and effective Internal control system and an ERM framework in the conduct of the Company's business."	
Supplement to Recommendation 12.1			

Recommended CG Practice/Policy	Compliant/Non Compliant	Additional Information	Explanation
"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 overwatch functions over the IT systems of the Company and its affiliates for any disruption, cyber security, and disaster recovery, and these specialists ensure that all key risks are identified, managed and reported to the Chairman of and for the Board.	
Recommendation 12.3			
"1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board."	Compliant	The Board appointed Mr. Alexis B. Dela Cuesta as the Company's Internal Auditor, who shall also act as its CAE.	
"2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 12.3, the CAE oversees and is responsible for the Company's internal audit activity, including – if any - that portion that is outsourced to a third party service provider."	
"3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 12.3, "In case of a fully outsourced internal audit activity, senior management personnel should be responsible for managing the said activity."	
Recommendation 12.4			
"1. Company has a separate risk management function to identify, assess and monitor key risk exposures."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 12.4, "Subject to its size, risk profile and complexity of operations, the Board may establish a separate risk management function to identify, assess and monitor key risk exposures".	
Supplement to Recommendation 12.4			

Recommended CG Practice/Policy	Compliant/Non -Compliant	Additional Information	Explanation
"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 www.acr.com.ph/corp_governance.php, 12.5, "Subject to its size, risk profile and complexity of operations, the Board, in managing the Company's risks, may appoint a chief risk officer, who is the ultimate champion of ERM and has adequate authority, stature, resources and support to fulfill his/her responsibilities	
"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 www.acr.com.ph/corp_governance.php, 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, www.acr.com.ph, 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	This is provided for by the Revised Corporation Code, and the Company's articles of incorporation, as amended, found in www.acr.com.ph/, and the Company complies with the law, and its own articles.	
"2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights."	Compliant		
"3. Board has an effective, secure, and efficient voting system."	Compliant		
"4. Board has an effective shareholder voting mechanisms such as	Compliant	The Board has an effective shareholder voting mechanisms by complying with the Revised Corporation Code, and	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders."		other applicable laws in found in www.sec.gov.ph/laws-rules-and-regulations/legislation/.	
"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 www.acr.com.ph/, at the annual meeting of the shareholders, or in dialogues with the shareholders, the Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	
"7. Company has a transparent and specific dividend policy."	Compliant	As found in the disclosures and filings in www.acr.com.ph/, the Company has a transparent and specific dividend policy, which it disclosed to the public via its website.	
Optional Recommendation 13.1			
"1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting."	Compliant	As found in the disclosures and filings in www.acr.com.ph/, when necessary, the Company appoints an independent party to count and validate the votes at the Annual Shareholders' Meeting.	
Recommendation 13.2			
"1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting."	Compliant	As set forth in www.acr.com.ph/disclosure.php, the Company disclosed the date of the annual shareholders' meeting on March 24th, and therefore notified the shareholders of such a meeting, as early as April 22nd.	
Supplement to Recommendation 13.2			
"1. Company's Notice of Annual Stockholders' Meeting contains the following information: a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	As set forth in the documents found in www.acr.com.ph/disclosure.php, the Company's Notice of the Annual Stockholders' Meeting is contained in its SEC Form 20-IS, and is therefore accompanied by the following information: (a) the profiles of Directors; (b) the Auditors seeking re-appointment; and (c) the proxy documents.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
b. Auditors seeking appointment/re-appointment c. Proxy documents."			
Optional Recommendation 13.2			
"1. Company provides rationale for the agenda items for the annual stockholders meeting."	Compliant	As set forth in the documents found in www.acr.com.ph/disclosure.php, the Company's Notice of the Annual Stockholders' Meeting provides rationale for the agenda items for the said meeting.	
Recommendation 13.3			
"1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day."	Compliant	As found in the disclosures and filings in www.acr.com.ph/, the Company makes the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available not later than the next working day.	
"2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting."	Compliant	As found in the disclosures and filings in www.acr.com.ph/, the Company makes the approved minutes of the annual meeting available on the Company's website within five business days from the end of the meeting.	
Supplement to Recommendation 13.3			
"1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM."	Compliant	As found in the disclosures and filings in www.acr.com.ph/, the Board invites the Company's external auditors to annual shareholders' meeting, and they regularly attend.	
Recommendation 13.4			
"1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner." "2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance."	Compliant	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	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		appointments(s). The language of the arbitration proceedings shall be English. "	
Recommendation 13.5			
"1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders." "2. IRO is present at every shareholder's meeting."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 13.4, "Subject to the Company's size, risk profile and complexity of operations, the Board may appoint an investor relations officer to constantly engage with its shareholders who should be present at every shareholders' meeting."	
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 complies with 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 www.acr.com.ph/investors_rel_program_ph.	
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 www.acr.com.ph/corp_governance.php, 14.1, "Subject to the Company's size, risk profile and complexity of operations, the Board shall identify the Company's various Stakeholders and cooperate with them to create wealth, growth and sustainability. "	
Recommendation 14.2			
"1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders."	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php, 14.2, "Subject to the Company's size, risk profile and complexity of operations, the Board shall establish clear policies and	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		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 www.acr.com.ph/corp_governance.php, 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.	
"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			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
"1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance."	Compliant	As set forth in the New Manual on Corporate Governance, 15.1, "Subject to the Company's size, risk profile and complexity of operations, the Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance."	
Supplement to Recommendation 15.1			
"1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures."	Compliant	As set forth in the New Manual on Corporate Governance, 15.1, "Subject to the Company's size, risk profile, and complexity of operations, the Board will formulate a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures."	
"2. Company has policies and practices on health, safety and welfare of its employees."	Compliant	The Company's policies and practices on health, safety and welfare of its employees, if any, are set forth in www.acr.com.ph/company_policy.php, in the Health, Safety and Welfare policy.	
"3. Company has policies and practices on training and development of its employees."	Compliant	As set forth in the documents in forth in www.acr.com.ph, the Company has policies and practices on training and development of its employees, if any.	
Recommendation 15.2			
"1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct."	Compliant	The Board adopted an anti-corruption policy and program in its Code of Business Conduct and Ethics, thereby setting the tone and making a stand against corrupt practices.	
"2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture."	Compliant	Through the Group's Human Resources Department, the Board disseminates its Code of Business Conduct and Ethics, in www.acr.com.ph/code_business_conduct. php, to employees of the Group through training sessions to embed the same in the culture of the employees of the Group and, if any, of the Company.	
Supplement to Recommendation 15.2			
"1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes."	Compliant	The Company has clear and stringent policies and procedures, set forth in www.acr.com.ph/company _policy.php, on curbing and penalizing employee involved in offering, paying and receiving bribes.	
Recommendation 15.3			
"1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns	Compliant	As set forth in www.acr.com.ph/company_policy.php, Whistle Blowing policy, the Board established a suitable framework for whistleblowing that allows employees to	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
about illegal or unethical practices, without fear of retaliation."		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 www.acr.com.ph/company_policy.php, Whistle Blowing policy, the Board established a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns, and supervises and ensures the enforcement of the whistleblowing framework.	
"3. Board supervises and ensures the enforcement of the whistleblowing framework."	Compliant		
"Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development."			
Recommendation 16.1			
"1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates."	Compliant	As set forth in the New Manual on Corporate Governance, 16.1, "The Company recognizes the interdependence of business and society, and promotes a mutually beneficial relationship that allows the Company to grow its business while contributing to the advancement of society."	
Optional Principle 16			
"1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development."	Compliant	The Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development by requiring its operating subsidiaries to comply with all requirements imposed by the Department of Environment and Natural Resources, and/or Environment Impact permits.	
"2. Company exerts effort to interact positively with the communities in which it operates."	Compliant	The Company's operating subsidiaries exert efforts to interact positively with the communities in which they operate by carrying out the Company's Corporate Social Responsibility programs in such communities through the Alcantara Foundation, as found in www.acr.com.ph/investor_sub_b.php.	

PARAÑAQUE CITY MAY 1 6 2023
Makati City, ________________.

Nicasio I. Alcantara
Chairman of the Board, President, and Chief Executive Officer

Ana Maria A. Katigbak-Lim
Corporate Secretary

Jonathan F. Jimenez
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 MAY 1 6 2023 ____ PARAÑAQUE CITY at Makati City, affiants having exhibited to me competent evidence of their respective identity consisting of the following, with their respective photograph and signature.

Name	ID Type &/or Nº	Issuer	Name	ID Type &/or Nº	Issuer
Nicasio I. Alcantara	Passport Nº P9170862B	DFA Manila/3-15-2022	Jose Ben R. Laraya	TIN 137981006	BIR
Jacinto C. Gavino, Jr.	TIN 123-104-984	BIR	Ana Maria A. Katigbak-Lim	Passport No. P7145377B	DFA Manila/7-7-2021
Thomas G. Aquino	TIN 121905565	BIR	Jonathan F. Jimenez	TIN 154892623	BIR

Doc. No. 297 ;
Page No. 61 ;
Book No. 13 ;
Series of 2023.

VILMA HILDA D. VILLANUEVA-FABELLA
NOTARY PUBLIC
PARAÑAQUE CITY

ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2024
IBP No. 272742/1-05-2023/PPLM
PTR No. 3190126/1-09-2023/Parañaque
Roll No. 41901
Not. Com. No. 119-2023/1-09-2023

SUSTAINABILITY REPORT

ALSONS 2023 SUSTAINABILITY REPORT

Table of Contents

About the Report

Alsons Consolidated Resources, Inc. (ACR) is pleased to release its annual Sustainability Report for the fourth consecutive year. This report covers the Company's activities under its energy and power business unit from January 1 to December 31, 2023. This report does not cover the subsidiaries and operations of ACR that are not related to the power business.

ACR's power generation business unit is a major independent power producer serving the Mindanao region. It plays a key role in providing electricity to fuel Mindanao's increasing population and expanding economy which is seen to be uniquely positioned to power the country's economic progress and lead the transformation journey in the years ahead.

This report includes data from the following:

- **Alsons Power Makati Head Office** - Alsons Power is the umbrella brand of the power business affiliates and subsidiaries of the Alcantara Group and ACR.
- **Mapalad Power Corporation (MPC)** - Controls a 103 MW diesel power plant in Iligan City
- **Southern Philippines Power Corporation (SPPC)** - Controls a 55MW diesel-fired power plant in Alabel, Sarangani *(Note: The plant was on shutdown for the year)*
- **Western Mindanao Power Corporation (WMPC)** - Operates a 100 MW diesel-fired power plant in Sangali, Zamboanga City
- **Sarangani Energy Corporation (SEC)** - Operates a 210 MW coal-fired power plant in Maasim, Sarangani Province

The report also shares key Employee Welfare data from the following entities: **Sindangan Zambo-River Power Corporation (SZPC), San Ramon Power Inc (SRPI), Siguil Hydro Power Corporation (SHPC),** and **Bago Hydro Resources Corporation (BHRC).**

Primarily engaged in power generation and sales to off-takers such as electric cooperatives and distribution utilities, ACR is likewise engaged in the development of greenfield power projects. It is listed under the electricity, energy, power, and water subsector at the Philippine Stock Exchange.

Information presented in this Sustainability Report was prepared with reference to the Global Reporting Initiative (GRI) Standards, as aligned with the guidance of the Philippine Securities and Exchange Commission Memorandum Circular No. 4, Series of 2019.

For any questions about this report, please contact:
Atty. Jonathan F. Jimenez (Office of the Corporate Secretary)
Phone No. +63 2 8923000

Materiality Assessment

ACR's sustainability approach follows the materiality concept as endorsed by the Global Reporting Initiative (GRI) Standards, which emphasizes sustainability issues that are important to stakeholders and that have significant impacts on the business and the communities where it operates.

The GRI prescribes a five-stage process to identify material aspects of sustainability and the level of criticality for stakeholders that allows the Company to maintain high-quality reporting that helps ensure sustainability programs are effective and have a meaningful impact towards achieving targets and goals.

Figure 1: Materiality Assessment Approach

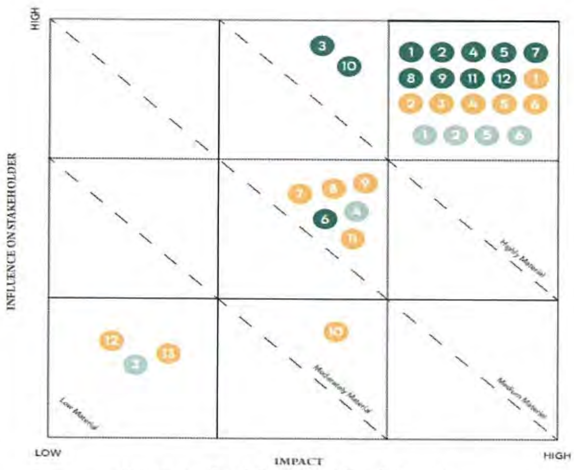

Figure 2: Materiality Matrix

ECONOMIC	ENVIRONMENTAL	SOCIAL
1 - Direct Economic Value Generated	1 - Energy	1 - Employee Hiring & Benefits
2 - Direct Economic Value Distributed	2 - Water	2 - Employee Training & Development
3 - Climate-related Risks & Opportunities	3 - Materials	3 - Labor - Management Relations
4 - Proportion of Spending on Local Suppliers	4 - Watersheds	4 - Diversity, Equal Opportunity, & Anti-Discrimination
5 - Training on Anti-Corruption Policies & Procedures	5 - Marine	5 - Occupational Health & Safety
6 - Incidents of Corruption	6 - IUCN/KBA	6 - Labor Standards & Human Rights
	7 - Air Emission	7 - Supply Chain Management
	8 - GHG	8 - Significant Impacts to Local Communities
	9 - NO_x, SO_x, PM	9 - Customer Satisfaction
	10 - Solid & Hazardous Waste	10 - Health & Safety
	11 - Effluents	11 - Marketing & Labeling
	12 - Environmental Compliance	12 - Customer Privacy
		13 - Data Privacy

Figure 3: Material Topics

The Company then monitors and reports on the material topics and provides key and meaningful information to inform stakeholders on both the progress and challenges it faces moving forward on its sustainability journey.

Sustainability Framework

Leveraging insights from the Materiality Assessment, ACR has identified the Core Drivers for the Company and its stakeholders. These were duly considered and reflected in the Sustainability Framework that is aligned with ACR's goal of contributing to the socio-economic development of the country. The framework focuses on five pillars:

INVESTMENT MANAGEMENT
Direct Economic Value Generated (Revenue); Direct Economic Value Distributed

CORPORATE GOVERNANCE
Training on Anti-Corruption Policies & Procedures; Incidents of Corruption; Labor-Management Relations

RESPONSIBLE BUSINESS
Resource Management (Energy, Materials); Water & Effluents; Ecosystems & Biodiversity (Watersheds, Marine); Air Emissions (GHG, NO_x,SO_x,PM); Solid & Hazardous Wastes; Environmental Compliance; Diversity, Equal Opportunity, & Anti-Discrimination

RISK MANAGEMENT
Occupational Health & Safety

EMPLOYEE WELFARE
Employee Hiring & Benefits; Employee Training & Development; Labor Standards & Human Rights

Figure 4: Sustainability Framework

Investment Management

a. Economic Performance

Disclosures	2023	2022
Direct economic value generated	12,696,832,342	11,989,232,129
Direct economic value distributed		
a. Operating Costs	8,439,582,007	8,249,045,370
b. Employee Wages & Benefits	344,235,626	470,372,154
c. Payments to Suppliers, Other Operating Costs	6,575,381,813	5,571,529,376
d. Dividends given to Stakeholders & Interest Payments to Loan Providers	6,022,868,873	4,828,712,559
e. Taxes given to Government	1,604,953,723	430,899,151
f. Investments to the Community (e.g. Donations, CSR)	17,464,132	38,074,831

In 2023, ACR successfully increased its net income by 22% to Php2.285 billion, up from Php1.875 billion the previous year. This strong financial performance was attributed to the growing power demand and the Company's participation in the Wholesale Electricity Spot Market (WESM) in Mindanao, opening additional revenue streams. WESM serves as a venue for efficient scheduling, dispatch, and settlement of energy transactions in the Mindanao grid as it supports the government's goal of improving the reliability of electric power supply in the country.

In November, the Company also announced the successful third tranche issuance of its PHP 3 billion Commercial Paper program. The latest issuance, valued at PHP 1.149 billion, has been listed on the Philippine Dealing and Exchange Corporation (PDEx). The proceeds derived from this tranche have been allocated for ACR's general working capital.

With the PHP3 billion Commercial Paper program, local debt watchdog Philippine Rating Service Corporation gave ACR an Issuer Credit Rating of PRS Aa minus, with a stable outlook earlier in the year.

At the same time, ACR remained committed to strengthening its renewable energy projects. One of its renewable energy (RE) initiatives is the 14.5 MW Siguil Hydro Power plant in Sarangani, the Company's first RE facility. ACR plans to invest at least PHP6 billion over the next three years as it prepares for expansion in the renewable energy sector.

For instance, ACR has embarked on the development of a hybrid hydro and solar power project in Zamboanga del Norte and a hydropower project on the Bago River in Negros Occidental. These ventures feature capacities of up to 37.8 megawatts and up to 42 megawatts, respectively.

As part of ACR's expansion into the Visayas market, the company initiated the construction of a 95.2 MW baseload backup power plant project in Barangay Imelda, Ubay Municipality in Bohol. This facility is designed to provide a reliable source of electricity for the people of Bohol in the event of calamities or natural disasters that may isolate the province from the Visayas grid.

The Company remains dedicated to contributing to nation-building and stimulating economic growth in the regions it serves. The local government unit of Maasim (LGU-Maasim) in the western part of Sarangani Province highly values this partnership, as evidenced by the recognition given by the LGU-

Maasim to Sarangani Energy Corporation, acknowledging the power generation firm's exemplary tax compliance and commitment to responsible tax payment.

Located within an ecozone, Sarangani Energy pays a special income tax of five percent on its gross income. Out of this amount, three percent is allocated to the national government, while the remaining two percent is remitted to the Treasurer's Office of its host municipality.

The 210-megawatt Sarangani Energy Baseload Power Plant is the single largest power investment in the Province of Sarangani and the entire Region 12. It provides power to more than four million residents in the provinces of Sarangani, South Cotabato, Cotabato, Compostela Valley, Misamis Oriental, Davao del Sur, Zamboanga del Norte, Zamboanga del Sur Agusan del Norte, and Agusan del Sur; as well as in the cities of General Santos, Iligan, Bayugan, Butuan, Samal, Tagum, Cagayan de Oro, Dapitan, Digos, Dipolog, Koronadal, Kidapawan, and Pagadian.

Overall, with a current portfolio of four power facilities with a combined capacity of 468 MW, ACR serves over eight million individuals across 14 cities and 11 provinces in Mindanao. The Company is resolute in achieving its long-term strategic goal of a balanced generation mix, where it can serve the complete power requirements (from baseload, intermediate, peaking, back–up, as well as ancillary) and where renewable energy sources would eventually comprise at least half of its energy mix.

Corporate Governance

DISCLOSURE	2023	2022
Percentage of Business Partners to whom the organization's Anti–Corruption Policies and Procedures have been communicated to	100	100
Percentage of Directors and Management that have received Anti–Corruption Training	100	100
Percentage of Employees to whom the organization's Anti–Corruption Policies and Procedures have been communicated to	100	100
Percentage of Employees that have received Anti–Corruption Training	100	100

DISCLOSURE	2023	2022
Number of incidents in which Directors were removed or disciplined for corruption	0	0
Number of incidents in which Employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with Business Partners were terminated due to incidents of corruption	0	0

The Board of Directors is composed of competent and expert members who are committed to and practice the principles of Corporate Governance. The Board provides essential guidance that enables the Company to fulfill its long-term economic, legal, and social obligations toward stakeholders.

Members of the Board possess the knowledge, experience, expertise, and background relevant to their role and the Company's industry sector:

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

a. Anti-Corruption

ACR recognizes the risks and adverse impact that corruption at any level of the organization poses for the Company's sustainability. In pursuing growth in a dynamic and competitive industry, the values of integrity and accountability stand out as of primary importance. Any issues of corruption will negatively affect employee morale, relationships with stakeholders, and shareholder value.

ACR therefore promulgates an Anti-Corruption Policy and promotes adherence through its Code of Business Conduct and Ethics which covers all employees, business partners, and suppliers. The importance of following the Code is explained during new hire orientations and reiterated during the annual general orientation to ensure all employees fully understand the spirit behind the Company's rules and regulations.

The Company also conducts an annual review for Business Partners and provides training programs for ACR Directors, Management, Officers, and Employees on anti-corruption and risk management. In addition, every employee is also required to acknowledge the annual renewal of the Certificate of

Integrity and Compliance, which reminds everyone to be alert for any potential risks of corruption, unethical business acts, or conflict of interest.

During town hall meetings, the Company consistently highlights the importance of maintaining a strong ethical culture and conducting business with integrity. This is to ensure that the business operates ethically and can sustain a good company image which can keep the organization in a competitive advantage over the other companies within the industry.

Through clear and consistent communication campaigns on the Company's Anti-Corruption Policy, ACR seeks to avoid possible misunderstandings on expected business conduct that would create loopholes that can weaken effectiveness. ACR also provides refresher courses on the topic and utilizes its learning management system called SumTotal.

For 2023, there were no recorded complaints or cases of corruption, demonstrating that the Company's campaign against corruption has been effective.

Furthermore, the Internal Audit team conducted a review of the Code of Business Conduct and related policies, including Whistle Blowing Policy, Gifts Policy, Travel Policy, and those dealing with suppliers. Such regular audits and reviews aim to strengthen and improve the Company's policy framework to remain relevant and responsive to the times.

b. Procurement and Supply Chain

ACR has strengthened its Supplier Accreditation process, optimizing its utilization of the SAP B1 accounting software through a Business Partner Master Data Maintenance Policy. The policy establishes and enforces guidelines that ensure major suppliers for materials and services are accredited and their complete information and credentials are maintained as verified Business Partner Master Data.

The Company values its vendors and suppliers as important business partners and is committed to fostering strong relationships based on shared core values. Accredited suppliers are expected to possess the necessary licenses, certifications, and other qualifications that reflect a shared dedication to environmental responsibility and ethical business practices, mirroring the values upheld by ACR.

Local suppliers that offer the benefits of shorter lead times and lower freight costs are preferred for various requirements such as coal, limestone, sand, fuel, spare parts, office supplies, and vehicles. To mitigate concerns on after warranties and sales support, these aspects are included in contract negotiations and are among the considerations for awarding contracts.

Responsible Business

a. Resource Management (Energy, Materials)

Energy Consumption

DISCLOSURE	2023	UNIT
Energy Consumption (Gasoline)		
Vehicle	43,266.79	L
Energy Consumption (Diesel)		
Vehicle	305,777.43	L
Generator Sets	278,349.40	L
Energy Consumption (Electricity)	172,410,257.70	kWh

DISCLOSURE	2023	2022	UNIT
Energy Reduction (Electricity)	172,410,257.70	78,798,710.81	kWh

Energy resources play a crucial role in the construction, operation, and maintenance of power plants, ensuring that we can reliably serve our customers as a trusted power provider. Energy is consumed in office spaces, while vehicles powered by gasoline and diesel are utilized for employee transportation and logistical operations. ACR acknowledges the significance of maximizing usage and promoting efficiency to reduce the environmental impact of the business.

In 2023, the Company prioritized energy conservation in its daily operations, not only as a sustainable practice but also as a means to reduce costs. The Company emphasized the importance of responsible resource management and aimed to enhance competitiveness through energy and resource conservation, minimizing environmental impact, and increasing productivity. This was achieved by implementing an Environmental Management System (EMS) that meets the standards of ISO 14001:2015.

Among the strategic energy management programs under the EMS that the Company implements are:

- Lowering the operating plants' target energy consumption budget
- Non-Acceptance Policy for low-quality diesel fuel and coal
- Replacement of all available streetlights and perimeter lights with solar-powered lights
- Use of photo-switch lamps in cooling tower and water tank yard facilities
- De-energizing occasionally used power transformers, equipment, and devices
- Light Off initiative - Switching off lights in areas not being used and during lunch breaks
- Regular Preventive Maintenance System
- Heat Rate improvement

The Company also continued to explore opportunities for optimal use of energy resources, employ strategic procurement for its fuel sources, and explore the blending of coal from various sources. At the same time, it invested in boosting organizational knowledge of sustainable economy and the latest sustainability trends.

ACR implemented programs and utilized advanced technologies to reduce energy consumption, particularly with lighting and appliance handling, considering the potential costs associated with stricter greenhouse gas regulations.

To manage energy consumption, the practice of goal setting has been essential. For instance, MPC sets a target budget for station use while determining energy consumption per month and identifying the energy-intensive tools and/or machines that can be optimized to reduce energy consumption. In 2023, MPC was able to improve the preservation procedures for engines. At the same time, though, the plant operated more times, and it conducted rehabilitation activities on MPC 1, resulting in higher consumption compared to the previous year.

ACR is planning to conduct annual internal energy audits to determine processes that are energy intensive and take steps to mitigate risks to meet the desired results in efficiency, financial performance, customer satisfaction, waste management, and overall employee contentment. There are many means of improving the energy efficiency of the plants and there are many aspects that affect their efficiency, the Company is examining these to be able to determine suitable improvement solutions.

Materials

Materials Used by Weight and Volume	AMOUNT	UNIT
Non-Renewable		
Bunker-C Fuel Oil, Diesel, Lube Oil	18,307,049	L
Coal	798,852.74	MT
Renewable	171,500	L

The Company carefully manages its resource usage, ensuring compliance with all applicable regulations. ACR is committed to minimizing the use of non-renewable fuel for plant operations and takes steps to offset its impact. It also closely monitors and enforces responsible water usage, especially for the cooling tower system.

ACR is committed to minimizing environmental damage caused by coal usage. To achieve this, the Company diligently selects mines with approved mining permits from the government, both locally and overseas. Permits are granted with the expectation that the land will be restored to its original condition after coal extraction.

Moreover, prioritizing the efficient utilization of finite resources involved ensuring that diesel engines operate at their highest level of performance and consistently adhering to scheduled oil changes.

Recognizing that operational usage of materials such as coal and diesel generates emissions and waste, the Company is proactive in closely monitoring emissions/discharges to assess and ensure that it consistently operates within the allowable environmental/health and safety limits permitted by the government. This reflects the Company's commitment to maintaining a balance between operational efficiency and environmental stewardship.

Furthermore, reducing the amount of waste produced by the procedure was also a crucial factor. The company initiated a project aimed at optimizing the utilization of heavy fuel (bunker C) for electricity generation by including specific additives. This impacts the quantity of waste (sludge) generated by the facility, leading to a gradual reduction, and ultimately enhancing the filtration system of the diesel engine. Plant Technical Assistance has dedicated itself to ensuring the program's effective implementation.

a. Water and Effluents

DISCLOSURE	2023	2022	UNIT
Total Volume of Water Discharge	1,055,797	986,696	Cubic meter
Water Withdrawal	4,224,538	3,385,497	Cubic meter
Water Consumption	4,279,296	3,828,843	Cubic meter
Water Recycled/Reused	281,916	525,367	Cubic meter

ACR is cognizant of the importance of water and effluent management because of the crucial risk of environmental damage. Untreated or inadequately treated effluent can contain harmful pollutants like heavy metals, toxic chemicals, or excess nutrients that can contaminate water sources and ecosystems causing hazards to people, animals, and plants. ACR therefore implements a combination of proactive and reactive measures in its water and effluent management strategies and water conservation is an integral part of the comprehensive energy conservation program.

The Company makes every effort to ensure that plant equipment works efficiently through the implementation of a preventive maintenance system and that operations are fully compliant with all applicable local regulations for the removal, reuse, and recycling of water resources. ACR has acquired the necessary water permits from the National Water Resources Board and has designated dedicated Pollution Control Officers (PCOs) for all its operating plants.

The Environmental Management System (EMS) of ACR received certification for its compliance with ISO 14001:2015 criteria. This certification showcases the company's commitment and readiness to adhere to relevant local and international environmental laws, rules, and regulations.

Furthermore, it developed Water Resource Conservation and Water Pollutant Elimination programs as a strategic response to Climate Change risks and opportunities. As such, ACR's operating plants manage to maintain the water level supply at optimal operational levels, including for cooling tower blowdown and recycling of water processes. The operational plants employ a hybrid cooling system that incorporates both closed-loop and open-loop mechanisms, effectively minimizing water loss to the greatest extent feasible.

Meanwhile, the PCOs monitor the water consumption and wastewater discharges of their respective operating power plants and ensure consistent compliance with the conditions set and stipulated in the water permit. Any observed abnormality would be immediately communicated to the concerned Process Owner(s) for immediate mitigation and corrective action.

In addition, the Company adheres to the terms and constraints set forth by the Environmental Compliance Certificate (ECC) which include the prohibition of using water from Sarangani Bay for cooling purposes.

ACR is committed to maintaining strict adherence to the approved water permit's abstraction limit for water extraction systems. For instance, the SEC Sarangani Energy Baseload facility implemented measures to reduce the impact on local water resources, including the installation of a river water extraction facility and an underground deep well. Committed to effective wastewater management, the company operates a facility to ensure the protection and maintenance of water and wastewater systems, which includes tanks and oil/water separators.

ACR also designed and installed a wastewater treatment facility that recycles the wastewater for alternative uses such as firefighting water or pipeline top-up during line leaks and hydrant tests. The Company consistently conducts regular checks, maintenance, and cleaning of wastewater tanks, canals, and oil/water separators. Also, wastewater sampling and analysis were conducted monthly to ensure the wastewater treatment facility operates at its best.

ACR received permission from the Department of Environment and Natural Resources' Environmental Management Bureau (DENR-EMB) to utilize recycled wastewater for irrigating vegetation within the plant premises.

At the same time, ACR stays updated on changes in environmental regulations and seeks help from environmental consultants for complex situations. The Company continues to look into available technological innovations to help improve effluent management, such as advanced wastewater treatment that would employ a sustainable additional treatment step that can remove a much wider range of pollutants to improve the overall effluent quality.

b. Ecosystem and Biodiversity

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Geographic Location	Type of area	Size of area	Activities to manage the impact
Latitude: 7.111386 Longitude: 122.253295	Maritime ecosystem	2 – 3 kilometer coastal stretch	Conduct Mangrove propagule planting, coastal cleanup, and Biological Resource Biodiversity Monitoring

Habitats Protected or Restored

Location	Size (ha.)	Existing partnership with third party	Current Status of area	Remarks

Sitio Bukana Mala, Barangay Bolong	1000 sq m	Barangay Bolong	Annual propagule planting is conducted by WMPC in the said protected area.	Mangrove propagules were planted along the gaps of the mangrove stretch.
Kamanga Marine Protected Area	9347.4 sq m	CLAFI		

ACR is committed to reducing its environmental footprint and protecting the integrity of natural ecosystems. The Company recognizes the potential consequences of its operations on the surrounding ecosystem and biodiversity.

Every subsidiary has designated Pollution Control Officers (PCOs) to oversee each one's full compliance with Water Permit Conditions, Discharge Permit Conditions, Hazardous Waste Generator Registration, and conditions of Permit to Operate Air Pollution Source and Control Installations. With the help of PCOs, the Company executes and monitors various mitigation initiatives for the care of ecosystems and biodiversity.

As part of its commitment to environmental responsibility, ACR operates an efficient wastewater treatment facility to ensure that all discharges are treated to meet the standards set forth by the Clean Water Act, enforced by the DENR. The Company also performs regular analysis of effluent quality and conducts an annual assessment of underwater habitats to monitor the well-being of marine organisms and evaluate the impact of wastewater discharges.

From data gathered through regular Underwater Habitat Assessments, ACR has been able to determine the actual conditions of the natural habitat in the areas where it operates. The data is used to update targets and make improvements on CSR projects that are designed with the help of Subject Matter Experts in the academe, DENR, and environmental advocacy groups.

The Company has put together various initiatives in partnership with the different host local government units (LGU), communities and barangays, schools, and other local organizations that are integrated into its 10-year rolling outlook.

Among these collaborative Corporate Social Responsibility (CSR) projects implemented by the Company are:

- Adopt a Shoreline
- Mangrove Restoration
- Reforestation
- Carbon Sequestration
- Watershed restoration

ACR's dedication to environmental stewardship is showcased through a program centered on carbon sequestration. In 2023, in collaboration with Conrado & Ladislawa Alcantara Foundation, Inc. (CLAFI), ACR completed two hectares of coffee farm and two hectares of Sloping Agricultural Land Technology (SALT) farm in Sarangani as part of its Watershed Enhancement Program. Moreover, the

Company, through Western Mindanao Power Corporation, continues to protect and conserve the watershed of Zamboanga City by planting indigenous trees across a 40-hectare area. Another noteworthy project is the mangrove protection project along the coastlines of Barangay Sangali and Bolong in the city.

ACR conducts an Annual Strategic Planning process to ensure that funds are allocated properly for these projects. The projects are implemented and monitored by Conrado & Ladislawa Alcantara Foundation, Inc. (CLAFI), ACR's Corporate Social Responsibility (CSR) arm. The company has strengthened its partnerships and collaborations with academic institutions, environmental organizations, and environmental advocacy groups to advance the development and long-term sustainability of the Company's CSR programs focused on environmental protection.

Alsons Power Group, in partnership with the Philippine Eagle Foundation (PEF), continues to demonstrate its commitment to environmental conservation by recently conducting a Community Education and Public Awareness (CEPA) campaign at Palimbang National High School in Barangay Poblacion, Palimbang, Sultan Kudarat.

The CEPA campaign, engaging around 250 community members including students, teachers, parents, government officials, and community leaders, focused on educating participants about their critical role in preserving local biodiversity. Environmental protection serves as the cornerstone in leading the town's pivot to sustainable development.

Through a three-year Memorandum of Agreement (MOA) with PEF, Alson Power will provide resources for the public awareness program and support the tracking and protection of the Philippine Eagle 'Sarangani' (locally known as Salagbanog), which has recently been sighted in Palimbang and nearby areas in the province of Sultan Kudarat.

The Mt. Busa Key Biodiversity Area in Mindanao, a crucial habitat for a Philippine Eagle sub-population, is home to Alsons Power facilities-- the Sarangani Energy baseload thermal power plant and the Siguil Hydro run-of-river hydroelectric power plant which is currently under construction.

c. Air Emissions

DISCLOSURE	2023	UNIT	Emissions Factor	in kg CO_2e	Emissions (tCO_2e)
SCOPE 1					
Energy Consumption (Gasoline)					
Vehicle	43,266.79	L	2.271545473	98282.48	98.28
Energy Consumption (Diesel)					
Vehicle	305,777.43	L	2.676327065	818360.41	818.36
Generator Sets	278,349.40	L	2.51233	699305.35	699.31
SCOPE 2					

Energy Consumption (Electricity)	172,410.26	MWh	0.7122[1]	122790.59	122.79

The energy and power industry produces air emissions that need to be managed effectively to minimize any potential harm to human health and the environment. Diesel engines release pollutants like nitrogen oxides (NOx), particulate matter (PM), and carbon monoxide (CO) that can cause respiratory problems, aggravate existing lung conditions like asthma, and contribute to smog formation. These are potential hazards to communities living close to the plants that need to be monitored and mitigated.

ACR recognizes the importance of accounting for its GHG emissions to enhance the effectiveness of mitigation strategies. Aligned with its EMS processes, ACR implemented the following GHG mitigation initiatives:

- Use of low NOX boiler, high-efficiency dust collectors/ESPs, and built-in deSOX system
- Establishment and implementation of vast GHG sink projects such as the Siguil and Kamanga River Watershed projects that cover an area of 7,500 hectares

PCOs continuously monitor these projects to measure their efficiency in achieving carbon-neutral emissions for all the operating power plants.

ACR also maintains its pollution control devices and Continuous Emission Monitoring System (CEMS) in all its operating power plants through periodic servicing and maintenance based on a planned schedule to ensure optimum operations and reliability. The current monitoring and accounting system for ACR's GHG emissions utilizes the data gathered from the pollution control devices and CEMS which are to be upgraded to a Predictive Emission Monitoring System.

The CEMS is audited annually by a third party to assure its reliability in compliance with the requirements of Republic Act 8749, the Philippine Clean Air Act of 1999.

[1] Emission Factor Used: DOE 2015-2017 National Grid Emission Factor (NGEF)

d. Waste Management

DISCLOSURE	2023	UNIT
Non-Hazardous Waste		
Reusable Solid Waste	860	kg
Recyclable Solid Waste	737.67	kg
Accredited Recycler	22,671	MT
Composted Solid Waste	1,104	kg
Landfill	30,110	kg
Hazardous Waste		
Waste oil (Sludge), oil-contaminated materials (rags), used industrial oils	568,101	kg
Containers previously containing toxic chemicals, Contaminated containers (blue plastic drums), and (plastic carbouys)	10,352	kg
Used fluorescent tubes and bulbs, electronic wastes, lead-acid batteries	3882	kg
Healthcare wastes	13	kg
Transported Hazardous Waste		
Waste Oil (Sludge)	151,080	kg
Contaminated container	8,120	kg

ACR acknowledges the need to manage its waste responsibly to minimize any negative effects on the local environment and community health.

For 2023, the Company saw an increase in waste generated and this was systematically managed through proper segregation and labeling for various waste streams – there are designated waste receptacles for solid waste and containment areas for hazardous waste. The Company maintains material recovery facilities and a Waste Data Collection System for proper waste management.

Furthermore, the generated fly ash and bottom ash from plant operations are properly contained in ash ponds. The ash pond is carefully constructed with a lining made of High-Density Polyethylene material to effectively prevent any seepage of fly ash, bottom ash, and its leachate into the ground.

ACR secured the necessary Hazardous Waste Generation ID for the proper management of the generated fly ash and bottom ash, in compliance with the relevant environmental laws, rules, and regulations.

The Company has also developed a system to sell the waste generated from fly and bottom ash to interested industries for use as raw material in cement production and road construction. Actively seeking ways to reduce waste sent to landfills, Sarangani Energy established a sales agreement with Holcim Philippines and Will & Joe Aggregates, Inc., which involves the supply and take-out of fly ash and bottom ash to be used as raw materials for cement making and road concreting. Additionally, Sarangani Energy is actively seeking opportunities to form similar arrangements with other cement factories. The Company collects and treats leachate or run-off wastewater in its wastewater treatment facility before discharging it into a DENR-approved receptor.

Designated and dedicated PCOs are responsible for ensuring the implementation of good environmental practices. They oversee the proper transportation and treatment of solid and hazardous wastes by DENR-accredited transporters and their disposal in accredited facilities. The PCOs also offer training and seminars on Solid & Hazardous Waste Management, Spill Response & Management, and compliance with all relevant environmental laws, rules, and regulations.

e. Compliance Management

DISCLOSURE	QUANTITY	UNIT
Total amount of monetary fines for non-compliance with Environmental Laws and/or Regulations	N/A	Php
No. of non-monetary sanctions for non-compliance with Environmental Laws and/or Regulations	N/A	Count
No. of cases resolved through Dispute Resolution Mechanism	0	Count

ACR recognizes the importance of adhering to environmental laws and regulations as a crucial duty for all responsible industry players. The Company employs a proactive self-regulation policy and ensures transparency with industry regulators and the Multi-Partite Monitoring Team (MMT) along with its readiness to modify processes if needed for compliance with new environmental laws and regulations.

Beyond compliance, the Company's dedication to adhering to environmental laws and regulations reinforces its bond with communities and business partners, contributing to the long-term viability and sustainability of its operations.

The Company has a dedicated Legal and Regulatory Compliance (LRC) group that diligently identifies and actively adheres to all relevant regulations on ACR. They ensure compliance with the requirements outlined in the ECC, permits, licenses, and agreements. This mechanism enables the Company to efficiently oversee adherence to all permit conditions. Through effective collaboration with the Power Business Unit's safety and environmental counterparts, the organization can proactively manage and prevent potential risks associated with the inability to adapt to changes.

The LRC is backed by dedicated PCOs for all operating power plants who oversee compliance with various permits and registrations, including those for water, discharge, hazardous waste, and air pollution control installations. The Environment, Health, and Safety (EHS) team is responsible for ensuring compliance with all relevant EHS laws and regulations.

All these are made possible with the EMS framework that is executed through established infrastructure and processes. These processes include preventive steps like routine maintenance, cleaning, inspection, and quarterly sampling and analysis of its effluents. Additionally, there is a pre-treatment facility in place to safeguard water and wastewater systems.

In addition, ACR stays informed about emerging global and local trends, understanding the importance of adapting to the ever-changing world and ensuring that environmental laws and regulations are up-to-date. The company strives to gain a deep understanding of its market and effectively meet its needs by being responsive and adaptable in its operations and processes.

Risk Management

DISCLOSURE	2023	2022	UNIT
Safe Man Hours	4,900,258	2,396,166	Man-hours
No. of Work-Related Injuries	20	25	Count
No. of Work-Related Fatalities	0	0	Count
No. of Work-Related Ill Health Incidents	0	0	Count
No. of Safety Drills	22	24	Count

a. Health & Safety

As an organization that values life above all else, ACR is committed to ensuring the health and safety of people on the premises of our offices and facilities, whether they be employees, business partners, or visitors and guests.

As such, risks to health and safety are regarded as priority issues that the Company invests resources on. ACR seeks to constantly and consistently achieve its vision of "Zero Goal: Home Safe Every Day" as supported by its Occupational Health and Safety Management System.

Seeking to establish a sustainable safety culture, the vision encourages active engagement with employees and contractors-alike, focused on genuine care for one another as each one works to ensure that no harm comes to anyone or to minimize severity in case of accidents. By promoting risk awareness, fostering a safety culture, utilizing resources to better the work environment, and enforcing safety regulations, OSH creates a foundation for a safer and healthier workplace for everyone.

The Company is compliant with a variety of applicable OSH standards, general safety and health regulations, fire safety/handling of combustible materials, electrical safety, hazardous materials handling, work permitting system, established standard operating procedures, work instructions and guidelines, emissions/effluent control, and technical safety, and worker-right-to-know/training and education, employee engagements periodic regulatory reporting, and compliance to permit conditions.

Aside from the Government-mandated health and safety policies that the company strictly follows such as the Anti-Sexual Harassment Policy, Drug-Free Workplace Policy, HIV and AIDS Prevention Policy, Tobacco Smoke-Free Workplace Policy, and TB Prevention and Control Policy, ACR also enforces an Alcohol and Drug Use Policy, Inclement Weather Policy (considerations given to employees), inspections, and provision of medical assistance.

ACR's Integrated Management System follows the ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (OHS) certification requirements. At the same time, the company identifies OHS hazards through proactive consultation with workers and the use of an aspect/impact matrix in identifying risks.

A safe workplace takes precautionary measures to ensure the safety and health of employees. Here are the identified risks and hazards: chemical exposure, fire, noise, worn-out PPEs, improper use of equipment, lack of refresher courses/training, and transmissible disease due to confined workspace.

To minimize the impact and likelihood of identified risks, the Company implements standards such as:

- Strengthen policy on the use of Personal Protective Equipment, conduct regular inspections, and issuance of Notice of Violation
- Establishment of EHS programs, work procedures and guidelines, and emergency procedures and guidelines
- Conduct of EHS drills
- Regular and mandatory health and safety refresher courses/training and provision of an online learning management platform to educate and refresh employees' EHS knowledge and skills

As such, the Company allocates an appropriate budget for the provision of Personal Protective Equipment and for the effective implementation of all EHS-related programs and activities with the following objectives:

- Mitigate Loss Time Accident (LTA)
- Increase safe man-hours
- Be able to get awards from respective government agencies (DOLE, DENR, etc.)
- Increase employees' participation in EHS activities
- Establish and implement Behavioral-Based Safety (BBS) programs
- Strengthening the mental health of employees

The Company has included an EHS Key Performance Indicator in the Performance Management Reviews to clearly articulate expectations and elicit the active participation of all employees in EHS activities. These activities include EHS training and orientations, as well as various emergency response and preparedness drills based on individual training needs.

Developing unique employee engagement programs includes benchmarking best practices and would help ACR create a health and safety culture where employees are encouraged to speak up if they come across hazards in the workplace.

Meanwhile, ACR continues to seek ways to improve the OSH programs and systems such as incorporating the Job Hazard Analysis and Hazard Identification Risk Assessment and Control into the online AEM Information System, along with the Safety Observation program. Here are other ways that the Company will be improving its OSH programs:

(1) Highlight Management Commitment which fosters a safety culture where management prioritizes safety and invests in preventive measures. This will send a strong message to employees about the importance of safety.
(2) Encourage employee and contractor involvement through dialogue or the Joint Environment, Safety, and Health Committee.
(3) Focus on continuous improvement by analyzing accident data and near misses. This allows for the identification of weaknesses in safety protocols and the implementation of corrective actions.
(4) Enhancing OSH management process using smart digital technologies (health and safety software) as well as digitalization of monitoring systems, job planning tools, hazard identification, risk assessment, and control, etc.

Employee Welfare

a. Diversity and Equal Opportunities

Team Member Headcount	WORKFORCE		TOTAL
	Female	Male	
TOTAL NUMBER OF EMPLOYEES *(permanent, temporary/probationary, and contractors)*	133	471	604
Total number of employees by contract			
Permanent	102	315	417
Temporary/Probationary	22	11	33
Contractors	11	145	156
Total number of employees by position			
Top Management	3	10	13
Sr. Management	3	5	8
Mid Management	10	31	41
Supervisors	39	70	109
Rank & File	67	210	277
Total number of employees by age group			
>50 yrs.	18	62	80
30-50 yrs.	72	231	303
<30 yrs.	27	33	60
No. of Employees from Vulnerable Group	40	108	148

ACR recognizes the importance of Diversity and Inclusion in enhancing an organization's strength and sustainability. The company consistently implements non-discrimination practices as an Equal Opportunity Employer, showcasing its commitment to Diversity and Inclusion. The framework of processes and systems that the Company uses throughout the employee lifecycle reflects the core values of non-discrimination, from recruitment to onboarding and continuous learning and development. In the spirit of diversity, equity, and inclusion (DEI) ACR provides proper consideration to Indigenous People and employees from vulnerable sectors to offer opportunities to build a career in the company.

There are clear and established policies on anti-discrimination, anti-harassment, and human rights that are aligned with relevant and existing labor laws and standards. In addition, ACR provides regular refreshers to remind and update employees of labor relation laws covering topics such as benefits and compensation, basic rights at the workplace, and CSR, among others.

The Company is committed to providing amenities in its facilities to support the Department of Labor and Employment's (DOLE) Ten Dimensions of the Family Welfare Program. The amenities provided are designed to meet the diverse needs of employees, with a dedicated space for breastfeeding mothers and a multi-purpose room for religious activities. In addition, various offices and buildings have ramps and dedicated restrooms for persons with disabilities (PWDs).

b. Hiring and Retention

DISCLOSURE	2023	2022	UNIT
Total Number of Employees (permanent, temporary/probation)	450	453	Count
a. Female Employees	124	115	Count
b. Male Employees	326	338	Count
Attrition Rate	1.77	5.9	%

**Statement for Lowest Paid Employees: All employees are paid equal to or more than the local minimum wage*

Benefit/Location	2023		2022	
	Percentage of employees who availed			
	Female	Male	Female	Male
SSS	25.75%	30.50%	29%	28%
Philhealth	18.38%	25.00%	39%	35%
Pag-IBIG	27.38%	32.50%	58%	31%
Parental/Maternity leave	5.66%	3.65%	9%	5%
Vacation Leave	77.40%	72.81%	86%	86%
Sick Leave	45.11%	45.93%	69%	58%
Medical benefits (aside from Philhealth)	57.91%	60.87%	72%	60%
Housing assistance (aside from Pag-IBIG)	11.98%	1.79%	7%	3%
Retirement fund (aside from SSS)	0.34%	0.00%	0%	4%
Education support (Educational loan)	0.00%	1.56%	5%	9%
Company Stock options	0.00%	0.00%	89%	96%
Telecommuting	12.50%	22.88%	77%	81%
Flexible working hours	25.00%	30.38%	29%	28%
Others				
Employee Medical Assistance	12.50%	12.50%	-	-
Car Loan	15.78%	5.35%	5%	3%
Car Allowance	6.25%	6.25%	-	-
Medical Reimbursement	46.88%	41.13%	19%	89%

ACR is dedicated to attracting and retaining exceptional talents, as this directly influences the company's operational targets, business objectives, and sustainability goals. The Company strives to constantly improve and enhance its reputation as an employer of choice by benchmarking itself against industry leaders.

For 2023, the company's strategy was to offer attractive compensation and benefits packages, proactive employee engagement programs, meaningful rewards and recognition programs, and employee feedback mechanisms.

ACR successfully implemented a highly competitive benefits package and work setup, which played a crucial role in attracting and retaining top talents. Moreover, ACR has a variety of employee engagement programs to foster a positive work environment. These include Mental Health Week, Birthday Club, Peptalk for sharing thoughts and ideas, Coffee Break activities, Zumba Weight Loss Challenge, Home Visitation program, Juanalympics, Anniversary activities, Monthly Tree planting for Birthday Celebrators, and Friday Sports and Recreation activities. Employee engagement programs are assessed through regular Employee Satisfaction Surveys.

At the same time, ACR conducted an annual Employee Performance Review as well as a review of compensation and benefits vis-à-vis the present industry standards. The outcomes of the annual performance management review provided a basis for incentives and merit increases.

The Company sought to strengthen employee relationships through open communications and listening to employee concerns on work-related issues with an established Employees Grievance and Feedback Mechanism. The data gathered from these channels were analyzed and then addressed appropriately during Monthly Town Hall Meetings, Weekly Management Meetings, and Daily Toolbox Meetings for technical personnel.

These official policies and processes reflect the values and vision of the Company and the culture that it seeks to nurture toward sustainability. ACR has been diligent in adhering to relevant labor laws, rules, and regulations of the Department of Labor and Employment (DOLE) and other related government entities. The Company submits its Labor Inspection Checklist to DOLE, and its designated focal personnel actively represents the ACR in the Tripartite Industrial Peace Council convened by DOLE.

c. Labor Management

Collective Bargaining	QUANTITY	UNIT
Number of employees covered within collective bargaining agreements	0	count
Number of consultations conducted with employees concerning employee-related policies	0	count

ACR believes in being proactive in establishing all possible venues and channels for employees to communicate emerging issues, concerns, or ideas. This approach seeks to avoid poor employee morale, disengagement at work, increased turnover rate, and possibly labor disputes. Any employee issues such as allegations of misconduct, discrimination, or unethical behavior need to be addressed immediately and transparently to maintain peaceful and productive relations.

Encouraging an environment of transparent communication, where employees feel at ease expressing concerns, sharing feedback, and seeking support from their managers or supervisors, cultivates a positive and mutually advantageous connection.

To foster positive relationships and enhance communication, the Company aims to tackle employee-related concerns by implementing the following measures:

- Keep employees informed about organizational changes, updates, and decisions that may affect them through the *Pulong-pulong* (weekly or monthly hybrid meetings).
- Train Supervisors and Managers to actively listen to employee concerns and feedback. Encourage clarifying questions and demonstrate empathy & understanding.
- Foster a culture of trust, respect, and open communication.

The Company therefore provides forums for various types of communication needs such as coaching and mentoring with respective immediate heads, conducting regular town hall meetings, and holding toolbox meetings for respective departments, among others.

This methodology promotes transparent communication within the workforce, facilitating the unrestricted exchange of employee suggestions and ideas. This aspect holds significant importance for the business, as it facilitates the potential uncovering of valuable insights aimed at optimizing the Company's operational frameworks or procedures.

d. Training and Development

2023	Top Management	Sr. Management	Mid Management	Supervisors	Rank & File	TOTAL

Total Training Hours	232.00	227.00	3,466.11	5,338.20	28,419.72	37,683.04
Male	44.00	175.00	3,304.00	3,872.20	22,073.37	29,468.57
Female	188.00	52.00	162.11	1,466.00	6,346.00	8,214.46
Total number of employees who attended the training	4	13	20	102	274	413
Male	2	7	18	61	218	306
Female	2	6	2	41	56	107
Average hours of training	116.00	33.67	336.60	420.81	1,013.54	876.25
Male	22.00	25.00	255.54	258.94	649.89	574.91
Female	94.00	8.67	81.06	161.87	863.65	301.33

Employee Training Programs

2023	Top Management	Sr. Management	Mid Management	Supervisors	Rank & File	TOTAL
Total Number of trainings conducted (Internal)						
Male	3	2	146	577	1,521	2,249
Female	1	1	22	310	667	1,001
Total Number of trainings conducted (External)						
Male	2	4	12	74	58	150
Female	3	3	2	28	23	59

Investing in training yields numerous benefits for the business, including heightened productivity, enhanced management capabilities, diminished attrition rates, improved employee performance, elevated morale, and enriched company culture. Well-trained employees play a pivotal role in upholding the company's capacity to consistently meet operational benchmarks, ensure customer satisfaction, facilitate career progression, and maintain safe and healthy work environments.

For 2023, the Company conducted training programs based on individual development plans as endorsed by the leads as well as mandatory training courses in compliance with the IMS. Leaders took an active part in making sure personnel were well equipped with skills and knowledge, through their guidance and assistance as well as the support from the Company. Managers conducted skills assessments objectively, carefully prioritizing training gaps that needed to be addressed, proposed training to address the gaps identified in the competence gaps analysis and conducted coaching sessions for their direct reports conscientiously.

ACR focused on the conduct of in-house training for the internal processes in the plant utilizing the employees identified as SMEs (subject matter experts). The Company used the most suitable and most effective training programs and strategies, including the continuous utilization of the online learning management platform. To improve the learning and development results for each employee, the Company chose a holistic approach through individual development plans that address the gaps in the Knowledge, Skills, and Abilities (KSAs) of the employees.

There was also a Management Development Program (MDP) implemented through a partnership with the Ateneo de Davao University. The program, with a duration of 1.5 years to complete, is the second phase in the Power Business Unit (PBU) Leadership Program, which aims to further strengthen the leadership capability of potential succession candidates by developing competent, development-focused, results-oriented, high-performing, innovative, and ethical leaders.

The customized mini-MBA program focuses on these four important leadership competencies: Entrepreneurial Mindset, Business Acumen (Business Orientation), Coaching and Mentoring, and Strategic Thinking. There are 20 key talents from different business units that are participating in the program.

ACR also reviewed the existing training effectiveness and ensured that a sufficient budget was allocated for all these training and development programs. Training effectivity is included as a Key Performance Indicator in the annual Employee Performance Management Review to ensure consistent leadership monitoring and engagement.

e. Human Rights Protection

DISCLOSURE	QUANTITY	UNITS
No. of Legal actions or employee grievances involving forced or child labor	0	#

ACR respects Human Rights and conducts its business in a manner that reflects its core values and belief that everyone is equal in dignity and rights. Beyond compliance or concerns for risks to reputation, the Company stands for the value of every employee and stakeholder that it engages with and respects each one's right to have a positive experience whenever they interact with ACR and its services. These beliefs are reflected in the following policies:

- Employment Policy
- Recruitment Policy
- Policies on Labor Standards such as Sexual Harassment Policy, Drug-Free Workplace, HIV and AIDS Prevention and Control, Tuberculosis Prevention, and Control
- Code of Conduct

Preventing human rights violations necessitates a holistic strategy encompassing the identification, assessment, and mitigation of risks. The company's approach entails proactive engagement with stakeholders, the implementation of clear policies, conducting training and awareness initiatives, and benchmarking against pertinent organizations. This ensures that the company draws lessons from others' experiences and remains abreast of best practices in labor standards.

ACR is therefore compliant with relevant labor laws, rules, and regulations of the DOLE and all other appropriate government entities and promotes employee awareness of the company policies and procedures that concern their rights.

The Company also makes every effort to attend the quarterly meetings of the Multi-Partite Monitoring Team (MMT) to address any grievances raised by the communities where it operates and where a portion of its labor force comes from.

At the same time, ACR actively participates in conventions of the regional People Management Association of the Philippines (PMAP) to maintain a peer-to-peer advisory among industries in the region and keep abreast of developments on Human Resources concerns, including those on the promotion of Human Rights. Benchmarking with other relevant organizations is important to ensure that the Company learns from the experience of others and remains updated on good labor practices.

The Conrado and Ladislawa Alcantara Foundation Inc. (CLAFI) developed the "Flalok Project" to revive and save the Blaan indigenous community's unique storytelling and folklore tradition called "flalok" that once thrived in the past but gradually faded with the rise of modern technology.

The project produced books that preserved the southern Mindanaon tribe's oral narratives in printed form. In partnership with Gerry Roxas Foundation through the PhilAM Fund, and with sponsorship from the United States Agency for International Development (USAID), the foundation collected and documented 144 flalok stories from various Blaan sources.

The project team then collaborated with tribal leaders, elders, and DepEd public school teachers of Blaan heritage to create materials such as storybooks, teaching guides, and alphabet charts.

The books and the other learning resources were developed from 2015 to 2018 and were integrated into the Mother Tongue-Based Multilingual Education (MTB-MLE) curriculum of the DepEd. A total of 130 schools — in Sarangani, South Cotabato, General Santos City, Koronadal City, and Sultan Kudarat — now implement Blaan MTB-MLE.

Around 15,000 Blaan learners have so far benefited from the project, as shown by their average score in a post-program literacy evaluation wherein they improved to 88 percent from only 58 percent.

Aside from the Flalok Project, CLAFI has another literacy initiative called "Summer Big Brother" (SBB), a summer remedial program for students who need to improve their reading comprehension skills.

SBB started as a collaborative effort between the foundation and the provincial government of Sarangani in 2007 and was later adopted by more communities in Iligan City, Compostela Valley, Zamboanga, and Davao. It has now helped improve the reading capacity of almost 10,000 children.

Customer Satisfaction

Customer satisfaction	4.11 out of 5 (Delighted)*	APSC- Customer Relations conducted the survey
	97% (Excellent)**	

** The survey was conducted from January - June 2023 and ** July - December 2023*

Alsons Power Supply Corporation (APSC) carried out its Customer Satisfaction Surveys for the initial half of 2023 during the Midyear Customers Forum, utilizing manual methods to gather feedback. Dedicated time was allotted during the forum for conducting the survey, with clear explanations provided regarding its purpose and the survey form before distribution. Completed forms were collected before the conclusion of the forum. For the latter half of the year, the survey transitioned to a digital format. Online forms were dispatched to each customer's official email address and their respective key personnel, with responses subsequently collected through the online platform.

Among the risks identified for customer satisfaction and mitigation strategies are the following:

(1) The company's cost (e.g. actual fuel cost) has a direct relationship with the generation cost that is billed to each customer, hence cost management strategies are implemented by the Fuel Procurement and Maintenance Groups of the PBU Coal Plants.

(2) Low prices in the Wholesale Electricity Spot Market (WESM) and competitors' offerings are among the risks that affect customer satisfaction leading to energy sales reduction. For 2023, a sales program was developed and implemented by APSC-Customer Relations that offered a tiered discounted rate to compete with the WESM price and competitors' offerings. Customers who availed of the program enjoyed a significant reduction in their electricity rates, thus improving customer satisfaction and increasing energy sales.

(3) The lengthy processing for sponsorship requests of customers did not match the timetable of customer events/projects. For 2023, efforts were made by APSC-Customer Relations to address this, with programs and innovations to be implemented in 2024.

The APSC-Customer Relations, serving at the forefront of PBU's customer-centric initiatives, aims to roll out a Customer Loyalty Program (CLP) in 2024. The CLP represents an innovative approach aimed at optimizing energy sales, complementing the endeavors of the Trading Team. This initiative underscores their commitment to ongoing enhancements in customer experience, loyalty, and satisfaction. Through effective strategizing, the identified risks can be transformed into opportunities.

a. Customer Engagement

Major Customer Engagement Activities

Activity	Purpose
Semi-Annual Customer Satisfaction Survey	To assess performance and gather feedback from customers.
2023 Midyear Customers Forum	The forum was conducted for the following purposes: • Connect with customers on a personal level • Understand their needs • Explore solutions on how to protect each other from the WESM spot price volatility
2023 Yearend Customer Appreciation Night	The event was designed to be the Company's venue to acknowledge and express gratitude and appreciation to its valued customers who have played an integral role in its growth and success. It includes a formal reception, customer testimonials, a raffle draw, and an awards ceremony recognizing the outstanding contributions of its most loyal customers.
2023 SEC Sales Program	The Sales Program was developed and implemented to improve customer satisfaction and increase energy sales. The program offers a tiered discounted rate to compete with the WESM price and competitors' offerings. Customers who availed of the program enjoyed a significant reduction in their electricity rates.
Remarketing Program	The Remarketing Program was developed by APSC to help customers reduce their electricity rates. This is done by selling to the WESM their unutilized contracted capacity. The proceeds of the program were returned to the customers.

*** END ***