COVER SHEET

9 8 7 8 0
S.E.C. Registration Number

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

(Company's Full Name)

N O . 2 8   N . D O M I N G O   S T .   N E W   M A N I L A
Q U E Z O N   C I T Y

(Business Address : No. Street City/Town/Province)

ATTY. JOAQUIN E. SAN DIEGO
Contact Person

725-7875; 724-5055
Company Telephone Number

1 2 *Month* **3 1** *Day*

2 0 - I S (definitive)
FORM TYPE

0 7 *Month* **2nd Thurs.** *Day*
Annual Meeting

(PC) LISTED SECURITIES
Secondary License Type, If Applicable

C F D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [X] Definitive Information Statement

2. Name of issuer as specified in its charter: **Abacus Consolidated Resources and Holdings, Inc.**

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

4. SEC Identification No.: **98780**

5. BIR Tax Identification No.: **002-727-393**

6. Address of principal office: **28 N. Domingo St.** Postal Code: **1112**
   New Manila, Quezon City

7. Issuer's telephone number, including area code: **(02)724-5055/725-7875**

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

   Date: **July 8, 2010**
   Time: **9:00 am**
   Place: **Club Filipino, Eisenhower corner McKinley Sts.**
   Greenhills, San Juan City

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

   June 17, 2010

10. In case of Proxy Solicitations:

    Name of Person Filing the Statement/Solicitor: **The Management of the Corporation**

    Address and Telephone Number: **28 N. Domingo St.**
    New Manila, Quezon City
    (02) 724-5055/725-7875

11. Securities registered pursuant to Section 8 and 12 of the Code or Sections 4 and 8 of the RSA

Title of Each Class	**Number of shares outstanding**
Common	1,999,415,209

Amount of Debt Outstanding as of December 31, 2009: ₱ 70,089,787

11. Are any or all of these securities listed on a Stock Exchange? Yes [x] No [ ]

The above shares (no. 10) are listed in the Philippine Stock Exchange.

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. General Information

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

The enclosed proxy is solicited for and on behalf of the Management of Abacus Consolidated Resources & Holdings, Inc. for use in connection with the annual meeting of stockholders to be held on:

Date: **July 8, 2010**
Time: **9:00 am**
Place: **Club Filipino, Eisenhower corner McKinley Sts.**
Greenhills, San Juan City

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this statement.

Approximate date on which the Information Statement and form of proxy are first to be sent or given to security holders: **June 17, 2010**

Mailing address of principal office: **28 N. Domingo St., New Manila**
Quezon City 1112

2. Dissenters' Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; and (iii) in case of merger or consolidation.

The company is not aware of any action or matter to be taken up at the annual stockholders' meeting that will give rise to the exercise by a shareholder of the right of appraisal.

At any rate, should any matter be acted upon at the annual stockholders' meeting which may give rise to the right of appraisal, in order that a dissenting stockholder may exercise his appraisal right such dissenting stockholder shall, within thirty (30) days after the annual meeting at which such stockholder voted against the corporate action, make a written demand on the company for the value of his shares. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code.

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

No current director or officer, or nominee for election as director or associate of such person, has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon other than election to office.

No director has informed the company in writing that he intends to oppose any action to be taken by the company at the meeting.

B. Control and Compensation Information

4. Voting Securities and Principal Holders Thereof

a) Number of shares outstanding as of May 31, 2010: 1,999,415,209

Number of votes entitled: one (1) vote per share

b) All stockholders of record as of June 17, 2010 are entitled to notice and to vote at the annual stockholders' meeting.

c) Manner of voting

A stockholder is entitled to cumulative voting in the election of directors. This means that a stockholder may cumulate the total votes that the number of his shares multiplied by the number of directors to be elected shall equal and either give such total votes to one candidate or distribute such total votes to as many candidates as he sees fit.

d) Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of May 31, 2010:

Title of Class	Name and address of record owner and relationship with issuer	Name of beneficial owner and relationship with record owner	Citizenship	No. of shares held	Percent
Common	Blue Stock Development Holdings, Inc.[1] 28 N. Domingo St., New Manila, QC/parent company of issuer	Blue Stock Development Holdings, Inc./same as record owner	Filipino	263,000,000	13.15%
Common	PCD Nominee Corporation[2] G/F MSE Bldg., Ayala Ave., Makati City	Blue Stock Development Holdings, Inc./not related to record owner	Filipino	339,931,836	17.00%
Common	PCD Nominee Corporation G/F MSE Bldg., Ayala Ave., Makati City	Guild Securities, Inc.[3] Unit 1215 Tower One & Exchange Plaza, Ayala Ave., Makati City	Filipino	509,386,000[5]	25.47%
Common	PCD Nominee Corporation G/F MSE Bldg., Ayala Ave., Makati City	Various [4]	Filipino	572,939,172[6]	28.65%
Common	PCD Nominee Corporation G/F MSE Bldg., Ayala Ave., Makati City	Solar Securities, Inc. [3] Unit 3002-A East Tower, Phil. Stock Exchange Centre, Pasig City	Filipino	111,627,000[7]	5.58%

[1] Blue Stock Development Holdings, Inc. (BSDHI) has the following directors and officers in common with the issuer:

Name	Position in BSDHI	Position in ABACUS
Manuel A. De Leon	Chairman of the Board	Director
Leonardo S. Gayao	Director/President	Director/President
Joaquin E. San Diego	Corporate Secretary	Corporate Secretary
Jose V. Romero Jr.	Director	Chairman of the Board

The stockholders of Blue Stock Development Holdings, Inc. are as follows:

Name	Citizenship	No. of shares	Percentage
Agri-Industrial Research Group, Inc.	Filipino	83,333,125	33.33%
Agri-Industrial Work Stations, Inc.	Filipino	83,333,125	33.33%
Agri-Industrial Concepts, Inc.	Filipino	83,333,125	33.33%

Manuel A. De Leon	Filipino	125
Ma. Isabel B. Bejasa	Filipino	125
Leonardo S. Gayao	Filipino	125
Joaquin E. San Diego	Filipino	125
Jose V. Romero Jr.	Filipino	125

The Board of Directors of BSDHI decides on the manner in which BSDHI's shares in the issuer will be voted. The Board of Directors of BSDFHI has designated Leonardo S. Gayao, President of BSDHI, to represent BSDHI's shares in the issuer.

[2] PCD Nominee Corporation is not related to the issuer. It is the central depository or lodging house of all securities brokers where scripless certificates are lodged.

[3] Guild Securities, Inc. and Solar Securities, Inc. are PSE Trading Participants. They are not related to PCD Nominee Corporation.

[4] The beneficial owners are either clients of various PCD participants or the PCD participants themselves. As of March 31, 2010, no other PCD beneficial owners owns more than 5% of the shares of the issuer.

[5] As of March 31, 2010, per the list of top 100 stockholders provided by the transfer agent.

[6] This figure is net of shares beneficially owned by Guild Securities, Inc. ,Solar Securities, Inc. and BSDHI(not related to record owner)

[7] As of March 31, 2010, per the list of top 100 stockholders provided by the transfer agent.

Security Ownership of Directors and Management as of May 31, 2010:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Citizenship	Percentage
Common	Ricardo Leong (D)	7,190,739	Filipino	0.36%
Common	Calixto Y. Laureano (D)	3,595,370	Filipino	0.18%
Common	Jose V. Romero Jr.(D/O)	2,360,010	Filipino	0.12%
Common	Clarita T. Zarraga (D)	1,643,655	Filipino	0.08%
Common	Martha R. Horrigan (D)	925,000	Filipino	0.05%
Common	Leonardo S. Gayao (D/O)	10	Filipino	<0.01%
Common	Manuel A. De Leon (D/O)	10	Filipino	<0.01%
Common	Willy N. Ocier (D)	10	Filipino	<0.01%
Common	William Y. Tieng(D)	10	Filipino	<0.01%
Common	Guido Alfredo A. Delgado(ID)	10	Filipino	<0.01%
Common	Gonzalo G. Puyat II (ID)	10	Filipino	<0.01%
Common	Jose L. Carlos Jr.(D/O)	10	Filipino	<0.01%
Common	Antonio Victoriano GregorioIII(D)	10	Filipino	<0.01%
Common	Manuel R. Moje (D)	10	Filipino	<0.01%
Common	Arturo V. Magtibay (D)	10	Filipino	<0.01%
NA	Joaquin E. San Diego (O)	0	Filipino	0.00%
NA	Rico G. De los Reyes (O)	0	Filipino	0.00%
	Directors, officers and nominee for director as a group	15,714,874*		0.79%
	Other directors/officers	0		0%

*All shares are directly held.

Legend: D – incumbent director
ID – incumbent independent director
N-D – new nominee for director
N-ID – new nominee for independent director
O - officer

e) Voting Trust Holders of 5% or More

The Company is not aware of any person holding more than 5% of any class of the company's securities under a voting trust or similar agreement.

f) Changes in Control

The company is not aware of any other arrangements since the beginning of the last fiscal year which resulted or may result in a change in control of the company.

5. Directors and Executive Officers

a) Name, age, position, citizenship and period of service of each incumbent director and executive officer

Name	Age	Position	Citizenship	Period of service
Jose V. Romero, Jr.	75	Chairman of the Board	Filipino	2002 to present
Manuel A. De Leon	78	Director/Vice	Filipino	1989 to present
Leonardo S. Gayao	64	Chairman	Filipino	1989 to present
Calixto Y. Laureano	81	Director/President	Filipino	1989 to present
Ricardo C. Leong	75	Director	Filipino	1989 to present
Martha R. Horrigan	73	Director	Filipino	1989 to present
Willy N. Ocier	52	Director	Filipino	2007 to present
William Y. Tieng	62	Director	Filipino	2008 to present
Clarita T. Zarraga	68	Director	Filipino	1994 to present
Antonio Victoriano F. Gregorio	37	Director	Filipino	elected 7-9-09
Mauel R. Moje	75	Director	Filipino	elected 7-9-09
Arturo V. Magtibay	61	Director	Filipino	elected 7-9-09
Gonzalo G. Puyat II	76	Director	Filipino	2008 to present
Guido Alfredo A. Delgado	52	Independent Director	Filipino	elected 7-9-09
Joaquin E. San Diego	47	Independent Director	Filipino	2005 to present
Jose L. Carlos, Jr.	62	VP-Corporate Secretary	Filipino	appointed 3-16-09
Rico G. De los Reyes	38	Treasurer Comptroller	Filipino	appointed 4-2-09

b) Business experience of incumbent directors, nominees for director and executive officers during the past five (5) years

See Part V of attached "Report Accompanying SEC Form 20-IS".

c) Other directorships held in reporting companies

Ricardo C. Leong is also a director of Sinophil Corporation. Willy N. Ocier is Chairman of Pacific Online Systems Corporation, APC Group, Inc., and Sinophil Corporation, Co-Vice Chairman of Belle Corporation and Highlands Prime, Inc., and director of iVantage Corporation. Manuel A. De Leon and Leonardo S. Gayao are also directors of Pacific Online Systems Corporation. Antonio Victoriano F. Gregorio III is an independent director of Music Semiconductors, Inc. and director of ATN Holdings, Inc. and Lodestar Investment Holdings Corporation.

d) Significant Employees

Other than the above named officers the company has no other significant employees.

e) Family Relationships

There are no family relationships among the directors, nominees for directors, and officers.

f) Involvement in Certain Legal Proceedings

To the best of the company's knowledge, as of the date of this report, the above named directors and officers have not been involved in any legal proceedings during the last five (5) years that could be material to their ability or integrity.

g) Certain Relationships and Related Transactions

The company and its subsidiaries, in their regular conduct of business, engage in transactions with each other, particularly in the form of cash advances for the operational needs of subsidiaries. Inter-company advances also occur in the form of advances for purchases of real properties. These advances are either later on converted into equity or repaid.

There are no receivables among the directors, officers, employees and other related parties and principal stockholders amounting to more than ₽100,000 or 1% of total assets.

h) Parent Company

As of May 31, 2010 Blue Stock Development Holdings, Inc. owns 30.15% of the company's total issued and outstanding capital stock. See items 4d above.

i) Resignations of Directors

No director has resigned or declined to stand for re-election due to disagreement with the company in regard to its operations, policies or practices.

j) Nominees for Election as Directors, Including Independent Directors, and Term of Office of Directors

The amendments of the company's by-laws incorporating the provisions of SRC Rule 38 on the nomination and election of independent directors were approved by the SEC on August 2, 2006.

The stockholders approved the increase in the number of directors from 11 to 15 during the previous annual stockholders' meeting of 10 July 2008. The amended articles of incorporation reflecting the said increase in the number of directors was approved by the SEC on 5 November 2008.

For the election of directors at the annual stockholders' meeting slated for 8 July 2010, Blue Stock Development Holdings, Inc. has nominated the following:

Name	Age	Citizenship	Nominated for
1. Jose V. Romero, Jr.	75	Filipino	director
2. Manuel A. De Leon	78	Filipino	director
3. Calixto Y. Laureano	81	Filipino	director
4. Ricardo C. Leong	75	Filipino	director
5. Martha R. Horrigan	73	Filipino	director
6. Willy N. Ocier	52	Filipino	director
7. William Y. Tieng	62	Filipino	director
8. Clarita T. Zarraga	68	Filipino	director
9. Leonardo S. Gayao	64	Filipino	director
10. Gonzalo G. Puyat II	76	Filipino	independent director
11. Guido Alfredo A. Delgado	52	Filipino	independent director
12. Jose L. Carlos, Jr.	62	Filipino	director
13. Antonio Victoriano F. Gregorio III	37	Filipino	director
14. Manuel R. Moje	75	Filipino	director
15. Arturo V. Magtibay	61	Filipino	director

Please see Part V of the attached "Report Accompanying SEC Form 20-IS" for the qualifications and business experience of the nominees.

The Nomination Committee has, in accordance with the company's amended by-laws and SRC Rule 38, reviewed the background of the above nominees and has determined them to be duly qualified. The nominations for independent director have been made in compliance with SRC Rule 38. The nominees for independent director are not related to Blue Stock Development Holdings, Inc. The Nomination Committee is currently composed of the following:

Jose V. Romero, Jr. – Chairman
Leonardo S. Gayao - Member
Gonzalo G. Puyat II – Member (independent director)
Joaquin E. San Diego – Non-voting Member

Each director elected at the annual stockholders' meeting has a term of office of one (1) year and serves until his/her successor is elected and qualified. A director elected to fill in a vacancy arising in the Board shall only serve the unexpired portion of the term of his/her predecessor in office.

6. Compensation of Directors and Executive Officers

a) Compensation of directors

Directors receive per diems of fifteen thousand pesos (₱15,000) for every Board meeting attended.

b) Compensation of executive officers

Name and Principal Position	Year	Salary (PhP)	Other Annual Compensation (PhP)	Aggregate Compensation (PhP)
Clarita T. Zarraga, President Leonardo S. Gayao, VP-Legal Joaquin E. San Diego, Corp. Sec. Benjamin B. Zarraga, ACS	2008			
All officers as a group unnamed		2,375,792	302,083	2,677,875
Leonardo S. Gayao, President Joaquin E. San Diego, VP & Corp. Sec Rico G. De los Reyes, Comptoller	2009			
All officers as a group unnamed		1,214,450	247,058	1,461,508
Leonardo S. Gayao, President Joaquin E. San Diego, VP & Corp. Sec Rico G. De los Reyes, Comptoller	2010 (est.)			
All officers as a group unnamed		1,000,000	250,000	1,250,000

c) Employment contracts, termination of employment or change-in-control arrangements

Each executive officer has an employment contract with the company for an indefinite period. The company has no termination of employment or change-in-control arrangements with its executive officers apart from those specified by labor and retirement laws.

d) Warrants and options outstanding

There are no outstanding warrants or options held by the company's directors and/or executive officers.

7. Independent Public Accountant

BDO Alba Romeo & Company, CPAs, was appointed as the company's independent accountant for fiscal year 2009 during the previous annual stockholders' meeting held on July 9, 2009. Duly authorized representatives of BDO Alba Romeo & Company, CPAs, are expected to be present at the annual meeting of stockholders and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The company's Audit Committee is composed of the following:

Guido Alfredo A. Delgado – Chairman (Indep. Director)
Clarita T. Zarraga - Member
Martha R. Horrigan - Member

For fiscal year 2010, the Audit Committee has recommended that the appointment of the company's independent accountant be delegated to the Board of Directors, on condition that the appointment of the independent accountant should comply with SRC Rule 68, Paragraph 3(b)(iv) on the rotation of external auditors.

8. Compensation Plans

No action with respect to any plan pursuant to which cash or non-cash compensation will be paid or distributed will be proposed during the meeting.

C. Issuance and Exchange of Securities

9. Authorization or Issuance of Securities Other than for Exchange

On April 2, 2009 the Board of Directors authorized the issuance, at the par value of one peso (P1.00) per share, of up to 1 billion new unsubscribed shares to be exchanged with and to acquire properties needed by the corporation and/or corporations/shares of corporations owning properties needed by ACRHI, in accordance with Section 39 of the Corporation Code. On July 9, 2009, during the annual stockholders' meeting, stockholders representing more than two-thirds (2/3) of the outstanding capital stock of the corporation approved and ratified the said share issuance.

On 28 December 2009 the company issued, at the par value of one peso (P1.00) per share, 654,529,820 new shares pursuant to a Deed of Exchange of Shares of Stock with Blue Stock Development Holdings, Inc. The particulars of the issuance are as follows:

a) Date of issuance: 28 December 2009
   Securities issued: 654,529,820 common shares

b) Underwriters: none
   Purchasers: existing stockholder only

c) Total price of issuance: P654,529,820.00
Underwriting discounts/commissions: none

d) Basis of exemption from registration: Section 10.1 e) of the Securities Regulation Code – issuance to existing stockholder only, where no commission or other remuneration is paid or given directly or indirectly in connection with the issuance of shares.

Pursuant to the aforesaid Deed of Exchange of Shares of Stock, in exchange for 654,529,820 new shares ACRHI acquired the following real properties via the acquisition of Vantage Realty Corporation (VRC) and Kapuluan Properties, Inc. (KPI) and their subsidiaries from Blue Stock Development Holdings, Inc. (BSDHI):

Locations	Area (hectares)	Proposed development concept
Padre Garcia and Rosario	80.2	agricultural
Mataas na Bayan, Lemery	9.0	wellness resort
Malinis, Lemery	3.7	aquaculture project
San Juan, Mabini	3.0	industrial
Manghinao, Bauan	1.5	industrial
Simlong, Batangas City	9.6	industrial
Wawa, Batangas City	3.7	agricultural
Mataas na Kahoy, San Salvador Kalingatan, and Tanguay, Lipa City	22.0	part of Fernando Air Base redevelopment and township project
Banay-banay, Lipa City/San Jose	3.6	part of Haven of Infinity Memorial Park project
Poblacion, Lipa City	349 sq.m.	commercial

Being a share issuance pursuant to Section 39 of the Corporation Code, stockholders are not entitled to pre-emptive rights with respect to the issuance of 654,529,820 new shares. However, under the Revised Listing Rules of the Philippine Stock Exchange (PSE), in case of issuance by a listed company of shares amounting to at least 10% but not more than 35% of the total issued and outstanding capital stock of the issuer through a single or creeping transactions within a period of 12 months, the issuer is required to secure stockholders' approval of the transaction either in a regular or special stockholders' meeting. Furthermore, for related party transactions, in addition to stockholders' approval, the waiver of the PSE requirement to conduct a rights or public offering of the shares so subscribed must also be granted by a majority vote representing the outstanding shares held by the minority stockholders present or represented at the meeting.

Since the 654,529,820 new shares were issued in favor of the parent company, BSDHI, a related party, during the July 8, 2010 annual stockholders' meeting ACRHI will be securing both the ratification of the share issuance and the waiver by majority vote of the minority stockholders present or represented at the meeting of the PSE requirement to conduct a rights or public offering of the shares so subscribed/issued.

10. Transfer Agent

Fidelity Stock Transfers, Inc. (FSTI) is recommended to the stockholders for appointment as the transfer agent of the company for the ensuing fiscal year. FSTI was the company's transfer agent for the fiscal year most recently completed.

Representatives of FSTI are expected to be present at the meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

D. Other Matters

11. Action With Respect to Reports

The Audited Consolidated Financial Statements as of December 31, 2009 will be presented for approval at the annual stockholders' meeting.

The President shall report on the company's operations for the period covering start of fiscal year 2009 to the present. The said report will be presented for information and notation only.

12. Amendment of Charter, By-laws or Other Documents

No amendments to the Articles of Incorporation, By-laws or other basic documents will be presented for approval by the stockholders.

13. Other Proposed Actions

The following will also be proposed at the annual stockholders' meeting:

a) Approval of minutes of the stockholders' meeting held on July 9, 2009, which contains the following matters:

-approval of minutes of previous stockholders' meeting of July 10, 2008
-approval of audited financial statements as of December 31, 2008
-election of directors for 2009-10
-appointment of transfer agent for 2009-10
-appointment of external auditors for 2009-10
-ratification of acts of directors and officers during the previous fiscal year

b) Election of directors for the ensuing year: see no. 5j above.

c) Appointment of transfer agent: see no. 10 above.

d) Delegation to the Board of the appointment of external auditors: see no. 7 above.

e) Ratification of acts of Board of Directors and officers for the period January 1-December 31, 2009

These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of the company's business and include the following:

-election of officers for 2009-10
-appointment of members of the Nomination, Audit and Remuneration and Compensation committees of the Board for 2009-10
-opening of bank accounts and designation of signatories thereof
-compensation of employees and consultants

14. Voting Procedures

In the election of directors the fifteen (15) nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees. On the other hand, if the number of nominees for election as directors exceeds the number of directors to be elected, voting shall be done by ballot, cumulative voting will be followed, and counting of votes shall be done by the Committee of Election Inspectors as provided for under Section 6 (b) of Article VII of the Corporation's By-laws.

For securing the waiver by the majority of the minority stockholders of the requirement to conduct a rights or public offering of the shares subscribed in compliance with the requirements of the PSE Revised Listing Rules, majority vote of the outstanding common stock held by minority stockholders present or represented by proxy at the meeting shall be necessary. Each outstanding common stock held by a minority stockholder shall be entitled to one vote. Voting shall be done viva voce or by the raising of hands and the votes for or against the matter submitted shall be tallied by the Secretary.

For the corporate matters that will be submitted for approval and for such other matters as may properly come before the meeting, a vote of the majority of the shares present or represented by proxy at the meeting is necessary for their approval. Voting shall be done viva voce or by the raising of hands and the votes for or against the matter submitted shall be tallied by the Secretary.

PART II

INFORMATION REQUIRED IN PROXY FORM

1. Identification

This proxy is being solicited for and on behalf of the Management of ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC. The Chairman of the Board of Directors, or in his absence, the President of the Company will vote the proxies at the annual stockholders' meeting to be held on July 8, 2010.

2. Instructions

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

(b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation not later than June 28, 2010 at the following address:

The Corporate Secretary
Abacus Consolidated Resources & Holdings, Inc.
28 N. Domingo St., New Manila,
1112 Quezon City
Philippines

(c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(d) Validation of proxies will take place on July 2, 2010 at the principal office of the Corporation at No.28 N. Domingo St., New Manila, Quezon City, Philippines.

(e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as his proxy for the annual stockholders' meeting to be held on July 8, 2010.

(f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Company as of Record Date.

(g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b).

(h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2) and (3) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter.

3. Revocability of Proxy

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

4. Persons Making the Solicitation

The solicitation is made by the Management of ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC. No director of the company has informed the corporation in writing that he intends to oppose an action intended to be taken up by the Management of the company at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. The Company will shoulder the cost of solicitation.

5. Interest of Certain Persons in Matters to be Acted Upon

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on July 8, 2010, other than election to office.

Proxy Form--

PROXY

The Undersigned hereby appoints:

a) The Chairman of the Board of Directors of Abacus Consolidated Resources & Holdings, Inc. or in his absence, the President of Abacus Consolidated Resources & Holdings, Inc., or in their absence,

b) ____

as his/her/ its Proxy to attend the above annual meeting of stockholders of Abacus Consolidated Resources & Holdings, Inc. and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the Undersigned as specified below and on any matter that may properly come before the said meeting.

1. *Approval of the minutes of the previous annual meeting of stockholders held on July 9, 2009.*

[ ] For [ ] Against [ ] Abstain

2. *Ratification of all the acts and resolutions of the Board of Directors, officers and management of the Corporation from the last fiscal year to date.*

[ ] For [ ] Against [ ] Abstain

3. *Delegation to the Board of Directors of the appointment of external auditors.*

[ ] For [ ] Against [ ] Abstain

4. *Election of Directors*

(   ) for all nominees listed below except those whose names are stricken out

(   ) withhold authority to vote for all nominees listed below

(Instruction: To strike out a name or withhold authority to vote for any individual nominee, draw a line through the nominee's name in the list below.)

For Regular Directors:

[ ] Jose V. Romero Jr.
[ ] Manuel A. De Leon
[ ] Calixto Y. Laureano
[ ] Ricardo C. Leong
[ ] Martha R. Horrigan
[ ] Willy N. Ocier
[ ] William Y. Tieng
[ ] Clarita T. Zarraga
[ ] Leonardo S. Gayao
[ ] Jose L. Carlos Jr.
[ ] Antonio Victoriano F. Gregorio III
[ ] Manuel R. Moje
[ ] Arturo V. Magtibay

For Independent Directors:

[ ] Gonzalo G. Puyat II
[ ] Guido Alfredo A. Delgado

5. If you are a *minority stockholder, you waive the requirement to conduct a rights or public offering of the shares subscribed.*

[ ] Yes   [ ] No   [ ] Abstain

____
Date

____
(Signature over printed name,
including title when signing for
a corporation or partnership or as an
agent, attorney or fiduciary)

No. of shares held: ________________

PART III

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Quezon City on June 2, 2010.

ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC.

By:

JOAQUIN E. SAN DIEGO
Corporate Secretary

REPORT ACCOMPANYING SEC FORM 20-IS

(Per SRC Rule 20)

I. Audited Consolidated Financial Statements as of December 31, 2009 and Interim Financial Statements

The Audited Consolidated Financial Statements as of December 31, 2009 are attached hereto as Annex "A".

The Consolidated Financial Statements for the First Quarter of 2010 are contained in SEC Form 17-Q for said quarter which is attached hereto as Annex "B".

II. Information on Independent Accountants and Other Related Matters

External Audit Fees and Services

Following are the total fees paid to the external auditors, inclusive of payments by all subsidiaries, in the past two (2) years (inclusive of VAT):

	Audit and audit-related fees	Tax fees	Other fees
2009	727,200	-	-
2008	929,600	-	-

The Audit Committee selects and recommends to the Board and stockholders the appointment of the external auditor and the fixing of the audit fees.

Changes in and Disagreements with Accountants

BDO Alba Romeo & Company, CPAs, was appointed as the company's independent accountant for fiscal year 2009 during the previous annual stockholders' meeting held on July 9, 2009. The company has not had any disagreements with BDO Alba Romeo & Company, CPAs, on matters of accounting principles or practices, financial statements disclosure or auditing scope or procedure.

For fiscal year 2010, the Audit Committee has recommended that the appointment of the company's independent accountant be delegated to the Board of Directors, on condition that the appointment of the independent accountant should comply with SRC Rule 68, Paragraph 3(b)(iv) on the rotation of external auditors.

III. Management's Discussion and Analysis or Plan of Operation

Plan of Operation

Being a holding company, Abacus will be focusing on two main lines of activity, namely, further strengthening existing operating teams to enhance their capability to bring projects to full fruition and generate revenue streams, and laying the groundwork for liquidating investments that have already appreciated due to increases in real estate prices or in cashflow potential and goodwill of operating subsidiaries.

For 2010, three specific targets have been identified. First, by the end of the second quarter the company expects to start pre-selling units in its Matuco Point project and memorial plots in the Haven of Infinity

Memorial Garden project. Secondly, by the end of the third quarter the company would have sold or signed a joint venture agreement for its gold properties under Abacus Goldmines Exploration and Development Corporation. Third, also by the end of the third quarter, the company would have completed all requirements to consummate the joint venture agreement with the Philippine National Oil Company (PNOC) for the natural gas pipeline project.

The company will be able to provide the cash requirements from its existing cash balances and from the sale of some or all of its shares in Pacific Online Systems Corporation. This will be augmented through the activities of its financial services subsidiaries and through specific project contributions from existing and prospective operating and development partners.

Critical Accounting Policies

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Financial Reporting Standards Council (FRSC).

Basis of Measurement

The Group's consolidated financial statements have been prepared based on historical cost except for certain property and equipment and investment property which have been measured at revalued amounts and fair values, respectively, and investments in associates which have been measured using the equity method.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. The consolidated financial statements present the financial performance and financial position of the Parent Company and its subsidiaries as if they form a single entity. Inter-company transactions and balances between companies within the Group are eliminated in full in preparing the consolidated financial statements.

The subsidiaries are entities over which the Parent Company exercises significant control or over which the Parent Company has the power, either directly or indirectly, to govern the financial and operating policies generally accompanying shareholdings of more than 50% of the voting rights. The Parent Company obtains and exercises control through voting rights.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtained control of its subsidiaries, and continue to be consolidated until the date that such control ceases.

All intra-group balances, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intra-company transactions that are recognized in assets are eliminated in full.

At acquisition date, the assets and liabilities of the relevant subsidiaries acquired are measured at their fair values. The interest of minority shareholders is stated at the minority's proportional share to the fair values of the assets and liabilities recognized.

The results of operations of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

For a list and brief description of the Parent Company's direct and indirect subsidiaries, please see Note 2 of the consolidated financial statements.

Minority Interest

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Parent Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed on any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability. Minority interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity shareholders of the Parent Company. Minority interests in the results of the Group are presented on the face of the consolidated statements of comprehensive income as an allocation of the net income for the year between minority interests and the equity shareholders of the Parent Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered in full.

Functional and Presentation Currency

The consolidated financial statements are prepared in Philippine peso, which is also the Group's functional currency.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the Group's financial statements have been consistently applied in all years presented except as stated below.

New standard and amendments effective in 2009

The following amendments to existing standards, which are effective for annual periods beginning on or after January 1, 2009, were adopted.

- Amendments to PAS 1, *Presentation of Financial Statements*

  The amendment requires an entity to present all items of income and expense recognized in the period in a single statement of comprehensive income or in two statements - a separate income statement and a statement of comprehensive income and the re-naming of the balance sheet as statement of financial position. The statement of comprehensive income shall present profit or loss for the period, plus each component of income and expense not recognized in the statement of profit or loss (such as gains and losses on available-for-sale investments and translation differences) but excluding all changes in equity arising from transactions with owners (such as dividends and capital increases). Adoption of this amendment did not result to any material misstatement in the Parent Company's prior years' financial statements.

- PFRS 8, *Operating Segments*

  The standard requires a management approach to reporting segment information. PFRS 8 will replace PAS 14, *Segment Reporting*, and is required to be adopted only by entities whose debt or equity instruments are publicly traded, or are in the process of filing with the Philippine SEC for purposes of issuing any class of instruments in a public market.

- Amendments to PFRS 7, *Improving Disclosures about Financial Instruments*

  The application of this Amendment has resulted in changes to the disclosures provided in respect of financial instruments, primarily in financial risk disclosure of the notes to the financial statements including an analysis of financial asset and financial liability that is measured at fair value in the statement of financial position, into a three level fair value measurement hierarchy.

The following revisions, amendments and interpretations to existing standards are effective for annual periods beginning on or after January 1, 2009 but do not have effect on financial statements:

Effective for annual periods beginning on or after January 1, 2009:

- Amendments on Cost of an Investment under PFRS 1 and PAS 27
- Revised PFRS 2, Share-based Payment – Vesting Condition and Cancellations
- Amendments on Puttable Financial Instruments under PAS 32 and PAS 1
- Improvements to PFRS 2008

Effective for annual periods on or after June 30, 2009:

- Amendments to IFRIC 9 and PAS 39 – Embedded Derivatives

Effective on or after July 1, 2009:

- IFRIC 18, Transfers of Assets from Customers

Effective for annual periods on or after July 1, 2009:

- PFRS 1 (Revised), First-time Adoption of Philippine Financial Reporting Standards
- Amendments to PAS 39: Eligible Hedged Items
- IFRIC 17, Distribution of Non-cash Assets to Owners

Future Standard, Revisions, Amendments and Interpretations

The Group opted not to early adopt the following relevant standards, amendments to and interpretations of existing standards that are effective in periods subsequent to 2009:

- Revised PFRS 3, *Business Combination* (effective for annual periods beginning July 1, 2009)

  The amendment of PFRS 3 requires results to changes in the recognition and measurement of acquisition costs and contingent consideration for an acquisition. It also provides guidelines on partial acquisitions, step acquisitions, and transactions with non-controlling interests.

- PAS 27 (Amendment), *Consolidated and Separate Financial Statements* (effective for annual periods beginning July 1, 2009)

  Amendments to PAS 27 include guidance on the partial disposal of subsidiaries, partial disposal of associates and joint ventures, and attribution of income to the non-controlling interest. With the new standard, if an investor loses significant influence over an associate, it derecognizes that associate and recognizes in profit or loss the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in the associate at the date significant influence is lost. Similar treatment applies when an investor losses joint control over a jointly controlled entity.

- Amendments to PFRS 2: *Parent Company Cash-settled Share-based Payment Transactions* (effective for annual periods beginning on or after January 1, 2010)

  The Amendments to PFRS 2 will clarify the scope of PFRS 2 when an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and regardless of whether the transaction is equity-settled or cash-settled. The Amendments will also clarify the interaction of PFRS 2 and other standards. In PFRS 2, a group has the same meaning as in PAS 27, Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries.

  The Group does not expect this amendment to have an impact on its financial statements.

- Improvements to PFRS 2009 (effective for annual periods beginning on or after January 1, 2010)

  Improvements to PFRS 2009 is a collection of amendments to PFRS issued by the FRSC which comprise the latest set of annual improvements. The FRSC uses the annual improvements project to make necessary, but non-urgent, amendments to PFRS that will not be included as part of another major project. The 2009 amendments reflects issues that were included in exposure drafts of; (a) proposed amendments to PFRS in October 2007; (b) proposed amendments to PFRS in August 2008; and (c) January 2009.

The Group has not yet adopted the following amendments and anticipates that these amendments will have no significant impact on its financial statements:

- PFRS 2, "Share-based Payment", "Scope of PFRS 2 and revised PFRS 3"
- PFRS 5, "Non-current Assets Held for Sale and Discontinued Operations"
- PAS 7, "Statement of Cash Flows"
- PAS 17, "Leases"
- PAS 18, "Revenue" PAS 36, "Impairment of Assets"
- PAS 38, "Intangible Assets"
- PAS 39, "Financial Instruments: Recognition and Measurement"
- "Cash flow hedge accounting"
- "Hedging using internal contracts"
- IFRIC 9, "Reassessment of Embedded Derivatives"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation
- Amendment to Philippine Interpretation IFRIC 14, *Prepayments of a Minimum Funding Requirement* (effective for annual periods beginning January 1, 2011)
- Philippine Interpretation IFRIC 15, *Agreement for Construction of Real Estate* (effective for annual periods beginning January 1, 2012)
- PFRS 9, *Financial Instruments* (effective for annual periods beginning January 1, 2013)

The adoption of the foregoing standards, revisions, amendments and interpretations to existing standards will not have any material impact on the Group's financial statements.

The following accounting policies have been consistently applied and are consistent with those used in previous years:

Financial Instruments

Initial Recognition. Financial assets and financial liabilities are recognized in the balance sheets when the Group becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done at trade date, which is the date on which the Group commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value plus transaction costs except for those designated at fair value through profit or loss (FVPL).

Classification of Financial Instruments

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

As of December 31, 2008 the Group's financial assets consisted only of loans and receivables which are further classified as trade and other receivables, advances to related parties and loans receivable. These are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through amortization process. Unearned discount is recognized as income over the life of the loan using the effective interest method.

The Group's does not have FVPL financial liabilities or financial liabilities held for trading. Its only liabilities are those arising from operations or borrowings, and these are further classified as accounts payable and accrued expenses, deposit liabilities, advances from related parties, loans and bills payable, rental deposit payable and income tax payable. These financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Determination of Fair Value

The fair value of financial instruments traded in active markets is based on their quoted market price or dealer price quotation (bid price for long positions and ask price for short positions). When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

If the financial instruments are not listed in an active market, the fair value is determined using appropriate valuation techniques, which include recent arm's length market transactions, net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Derecognition of Financial Instruments

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when: a) the rights to receive cash flows from the asset have expired; b) 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 c) the Group has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset 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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of operations.

Classification of Financial Instruments Between Debt and Equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as an expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial assets to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) 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

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method/first-in first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments in Associates

An associate is an entity over which the Parent Company has significant influence but has no control and which is neither a subsidiary nor a joint venture.

Investment in an associate is accounted for by the equity method of accounting. Under this method, the investment is initially recognized at cost and adjusted thereafter by post-acquisition changes in the Group's share in the net assets of the associate and any impairment losses. The Group's share of its associate's post-acquisition profits or losses is recognized in the consolidated statements of operations. Share in post-acquisition change in the associate's net asset not recognized in the associate's statement of operations is directly recognized in the Parent Company's equity. Dividends received from the associates are deducted from the carrying amount of the investment.

The Group discontinues applying the equity method when their investments in associates are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations to the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting date of the associate 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.

Joint Venture Transactions

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity, which is subject to joint control, and none of the participating parties has unilateral control over the economic activity.

Assets that the Group controls and liabilities that it incurs in relation to jointly controlled operations are recognized in the Group's consolidated statements of financial position on an accrual basis and classified according to the nature of the item. The Group's share of income that it earns from jointly controlled operations, together with the expenses that it incurs, are included in the Group's consolidated statements of comprehensive income when it is probable that economic benefits associated with the transaction will flow to/from the Group.

Business Combination and Goodwill

Business acquisitions are accounted for using the purchase method of accounting. The cost of acquisition is measured as the fair value of the asset given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any minority interest.

Goodwill acquired in business combination is initially measured at cost as the excess of cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Negative goodwill, which is the excess of the Group's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over cost, is charged directly to income.

Transfers of assets between commonly controlled entities are accounted for under historical cost accounting.

Investment Property

Initially, investment property is measured at cost including transaction costs. The cost of investment property comprises its purchase price and any directly attributable expenditure.

Subsequent expenditures are recognized as an asset when the expenditures improve the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure is recognized as an expense when incurred.

Subsequent to initial recognition, investment property is stated at fair value, which reflects the market conditions at the financial reporting date. Any gain or loss resulting from either change in the fair value is immediately recognized in the consolidated statement of operations in the year in which it arises.

Investment property is derecognized when it has either been disposed or when they are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of operations in the year of retirement or disposal.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The initial cost of property and equipment is comprised of the purchase price and costs directly attributable to bringing the assets to their intended use.

Subsequent expenditures incurred after the assets have been put into operation are capitalized as additional cost of the assets when the resulting future economic benefit exceeds the originally assessed standard of performance of the asset. All other subsequent expenditures incurred such as repairs and maintenance are recognized in the consolidated statement of operations in the period the costs are incurred.

When assets are sold or retired, their cost, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts and any resulting gain or loss is included in the consolidated statement of operations of such period.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the terms of the lease or estimated useful lives of improvements. The estimated useful lives of the assets and the improvements are as follows:

Building and improvements	- 5 years
Machinery and other equipments	- 3 to 5 years

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

If at revalued amount. Following initial recognition at cost, land and buildings and improvements are carried at revalued amounts which are the fair values at the date of the revaluation, as determined by independent appraisers, less any subsequent accumulated depreciation (on buildings and improvements) and accumulated impairment losses. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the Revaluation Surplus account included in the Equity section of the consolidated statements of financial position. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against Revaluation Surplus. Annually, an amount from the Revaluation Surplus is transferred to Retained Earnings for the depreciation relating to the Revaluation Surplus. Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Revaluations are performed every three years ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the financial reporting date.

Construction-in-Progress

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are transferred to the investment property account or reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the properties for their intended use are completed and the properties are available for service.

Deferred Exploration Costs

Deferred exploration costs are stated at cost less impairment losses, and include deferred exploration costs and other expenses incurred prior to the start of commercial operations, net of incidental income.

Deferred exploration costs are accumulated separately for each area of interest. These include acquisition costs, direct exploration and development costs and an appropriate portion of related overhead expenditures, and exclude general overhead or administrative expenditures not specifically identified with exploration activities.

Deferred exploration costs are carried in the books only if the costs related to an area of interest for which the rights of tenure are current and such are expected to be recouped through successful development and exploration or from sale of the area or exploration and evaluation activities in the area as of financial reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing. Exploration costs, which do not satisfy the above criteria, are recognized in the consolidated statements of comprehensive income.

Revenues earned in connection with the exploration activities in an area of interest prior to the start of commercial operations are offset against the expenditures of such area of interest.

The carrying value of each producing area of interest is reviewed regularly and, to the extent to which this amount exceeds its recoverable amount (based on the higher of the net present value of estimated future net cash flows and current realizable value), an allowance for impairment will be provided in the year in which it is determined.

When further development expenditures are incurred on producing area of interest, such expenditures are capitalized as part of the costs of such area of interest only when substantial economic benefits are thereby established; otherwise, such expenditures are charged to cost of production.

Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the Group makes a formal estimate of the asset's recoverable amount.

The recoverable amount is the higher of an asset's or its cash generating unit's fair value less costs to sell and its value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. 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. For an asset that does not generate cash flows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Provisions and Contingencies

Provisions are recognized when there is a present legal or constructive obligation 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.

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

Equity

Share capital is determined using the nominal value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the consolidated statements of operations.

Shares held by subsidiaries are recognized at cost. These shares of the Parent Company are owned by the subsidiaries.

Treasury shares are recognized at cost.

Revenue Recognition

Revenue is recognized when the significant risks and rewards of ownership of goods has been transferred to the buyer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognized as the interest accrues on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

The proportionate share in net earnings and losses of the associates is recognized as soon as the basis for the share, which is the audited financial statements of the associates for the current year, becomes available.

Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Room revenue is recognized based on established room rates and is billed upon checkout of hotel occupants.

Food and beverage revenue is recognized when orders are served.

Interest Expense on Deposit Liabilities and Borrowings

Interest expense on deposit liabilities and borrowings is recognized in the consolidated statements of operations when incurred. It is calculated using the effective interest rate (EIR) method and is credited to the depositors' account regularly.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease receipts are recognized as income in the consolidated statements of operations on straight-line basis over the lease term.

Leases where substantially all the risks and benefits of ownership of the asset do not pass on to the lessee are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statements of operations on straight-line basis over the lease term.

Foreign Exchange Transactions

Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the date on which the transaction took place. Foreign currency denominated assets and liabilities of the Group are translated using the prevailing exchange rate as of financial reporting date. Gains or losses arising from these transactions and translation are credited or charged to income for the year.

Income Tax

Current income tax assets and liabilities for the current and the 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 substantively enacted at the financial reporting date.

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

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each financial reporting 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 asset to be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net income or loss for the period by the weighted average number of shares outstanding during the period, net of shares held by the subsidiaries, after giving retroactive effect to any stock dividend declared during the year.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Related Parties

Parties are considered 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.

Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties.

Managements's Discussion and Analysis of Results of Operations and of Financial Condition

2009

The company posted a gross income of P698.8 million, of which P645 million or roughly 92% came from the gain on investment property revaluation in Montemaria properties. Other large income items were share in net earnings of POSC (P51.4 million or 7.35%) and interest (P1.2 million or 0.17%). With gross income decreased by 6.58% and expenses increased by 8.31% including provision for deferred income tax on revaluation of property, the company registered a consolidated net income of P464.96 or 12.62% less than the previous years' figure. The company thus ended the year with a basic earnings per share of ₱0.266666 compared to the previous year's ₱0.354423.

2008

The company posted a gross income of P747.9 million, of which P726 million or roughly 97% came from the gain on investment property revaluation in Montemaria properties. Other large income items were share in net earnings of POSC (P24.4 million or 3.27%) and interest (P2.8 million or 0.37%). With gross income increased by 11.64% and expenses increased by 164.52% including provision for deferred income tax on revaluation of property, the company registered a consolidated net income of P532.08 or 9.57% less than the previous years' figure. The company thus ended the year with a basic earnings per share of ₱0.3544234 compared to the previous year's ₱0.266 (adjusted for changes in par value).

2007

The company reported a gross income of P670 million, of which P514 million or roughly 77% came from the one-off sale of Pacific Online Systems Corporation (POSC) shares in the April 2007 initial public offering. Other large income items were gains from acquisition (P68.4 million or 10% of the total), share in net earnings of POSC (P46.1 million or 6.9%), interest (P21.8 million or 3.3%). With gross income increasing 15-fold and expenses increasing only twofold (expenses of acquired companies already included), the company registered a net income of P588 million, which represents an increase over the previous years' figure by a factor of 98. The company thus ended the year with a basic earnings per share of ₱0.00266 from the previous year's ₱0.0000068.

Causes of material changes

(Note: Figures for 2008 and 2007 are as restated.)

Balance Sheet Accounts

End-2009 vs End-2008

Cash and cash equivalents decreased 71% due to additional advances to affiliates for purchase of equipment for mining and real estate projects.

Trade and other receivables decreased 13% due to partial liquidation of advances for financial investments.

Advances to related parties increased 20% mainly because of advances to Abacus Global Technovisions, Inc. (AbaGT) for real estate projects and to Blue Stock Development Holdings, Inc. for financial investments.

Investment in associates increased 5% due to purchase of POSC shares and recording of the minority holdings in AbaGT.

Goodwill increased 37% resulted from the acquisition of Kapuluan Properties, Inc. (KPI) and Vantage Realty Corporation (VRC).

Investment property increased 35% due to the acquisition of properties via acquisition of KPI and VRC.

Property and equipment increased 14x due to the acquisition of equipment by Omnicor Industrial Estate Realty Center, Inc., a PRIDE subsidiary, for the Montemaria projects in Batangas City.

Construction in progress increased 114% due to further development of the properties in Matuco and Pagkilatan, Batangas City.

Other current assets increased 32% due to the accumulation of expanded value added tax and creditable tax withheld.

Advances from related parties was reduced to zero due to elimination of advances from corporations that became subsidiaries and deconsolidation of advances receivable by a corporation that ceased to be a subsidiary.

Advances from heads of agreement doubled due to an additional P15 M received from the prospective purchaser of the company's coal subsidiary.

Income tax payable decreased 15% due to a corresponding decrease in taxable current income.

Loans payable increased 70% due to additional bank loans obtained to provide funding for projects.

Deferred tax liability increased 29% due to the increased provision after acquisition of KPI and VRC properties, as stated above.

Share capital increased 38% due to the shares issuance pursuant to the share swap with Blue Stock Development Holdings, Inc. for the acquisition of KPI and VRC and the latter's subsidiaries.

Shares held by subsidiaries decreased 27% because the price of the company's shares in the market decreased, although there was no decrease in the number of shares held by subsidiaries.

Retained earnings decreased 20% due to derecognition of revaluation gain on a property that was exchanged for shares of a subsidiary at market value in the tax declaration instead of appraised value.

Treasury shares decreased 80% due to assignment in favor of retired officers.

Minority interest increased 42% due to increase in total equity plus adjustment for share of minority in net income.

End-2008 vs End-2007

Cash and cash equivalents decreased 49% due to purchase of equipment for mining and real estate projects.

Due from Banko Sentral ng Pilipinas, Loans receivable and Noncurrent assets held for sale pertaining to Rural Bank of Batangas, Inc. were no longer included in the consolidation due to the reduction in percentage holdings in the bank less than 50%.

Trade and other receivables increased 180% due to additional advances for financial investments that were unliquidated as of yearend.

Advances to related parties increased almost 25 times mainly because of the advances to Abacus Global Technovisions, Inc. (AbaGT) for real estate projects and to Blue Stock Development Farms, Inc. for financial investments.

Investment in associate increased by 13% due mainly to 2,971,568 Pacific Online Systems Corporation shares purchased from Abacus Global Technovisions, Inc. and additional investment in RBB.

The figures for goodwill resulted from the acquisition of PRIDE in 2006.

Investment properties increased by 55% due to the new revaluation of 100,000 sq. m. and 48,000 sq. m. in Pagkilatan properties owned by Omnicor Industrial Estate & Realty Center, Inc. and Batangas Stock Developments Farms, Inc. respectively, a subsidiary of PRIDE.

Property and equipment decreased 99.5% and deferred income tax assets decreased 100% because the pertinent items in RBB and AbaGT accounts were no longer included in the consolidation.

Other assets was 65% lower because of utilization of the expanded withholding tax (EWT) credit on rental income of a subsidiary included in the yearend-2007 figure and the excess of RBB's retirement fund over the amount required per actuarial computation was no longer included in the consolidation.

Accounts payable and accrued expenses decreased by 37% due to payment of accrued audit fees, transfer of Hedge Issues Management and Leverage Advisors, Inc. to Blue Stock and unconsolidation of AbaGT.

Advances from related parties decreased 96% due mainly to repayment of advances to Blue Stock Development Farms, Inc.

Deposit liabilities and bills payable pertaining to Rural Bank of Batangas, Inc. were no longer included in the consolidation due to the reduction in percentage holdings.

Income tax payable decreased 96% due to small income generated by the company and its subsidiaries.

The loans payable decreased by 24% is due mainly to the unconsolidation of AbaGT's bank loan.

The deferred income tax liability accounts increased 41% due to the new revaluation of properties.

Share capital increased by 6% due to the 1:4 stock rights offering last January 10-16, 2008.

Shares held by subsidiaries increased 15% due to ABA shares received by subsidiaries which were offset against intercompany advances.

Minority interest decreased from P241.8 million to P83 million due to the unconsolidation Abacus Global Technovisions, Inc. and Rural Bank of Batangas, Inc.

<u>Income Statement Accounts</u>

FY 2009 vs FY 2008

Share in net earnings of associate increased 110% because the net earnings of POSC more than doubled and significant increase in the net income of the bank subsidiary of PRIDE.

Interest income decreased 59% due to smaller cash in bank balances.

Rental income increased 164% due to the improved rental collection.

Unrealized forex loss refers to the loss imputed to the dollar-denominated loan of Countrywide Transcapital Zone Holdings, Inc.

The threefold increase in compensation and benefits was due to payment of retirement benefits to retired officers.

Significant decreases in professional and other services (16%) and management and directors' fees (71%) were due to the retirement of three senior officers in March 2009.

Taxes and licenses decreased 44% because the 2008 figure includes lump sum payments to update real estate taxes on the Matuco/Pagkilatan properties, and because taxes and licenses of Alpa Hotel were no longer consolidated in 2009.

Significant decreases in utilities (63%), and repairs and maintenance (30%) are due mainly to the fact that Alpa Hotel is no longer included in the consolidation.

Office supplies and publications increased 102% due to the printing and publication of 2008 ACRHI and PRIDE annual reports.

Significant increases in transportation expense increased (416%), and representation (29%) were due to increased activity of a real estate subsidiary in construction and development in the Matuco and Pagkilatan, Batangas City properties.

Rent expense figure increased because of payment of accumulated back rentals.

Insurance decreased 91% because of the retirement of an officer whose motor vehicle insurance was previously paid by the company as part of her benefits.

Miscellaneous expenses increased 22% due to penalties assessed and paid to the Department of Energy for late submission of reports on the progress of works under the Coal Operating Contract.

Significant increases in interest expense and bank charges were due to additional bank loans.

Gain on revaluation decreased 11% due to derecognition of revaluation gain on a property that was exchanged for shares of a subsidiary at market value in the tax declaration instead of appraised value.

Other income decreased 23% due to the deconsolidation of Geyser, Inc.

FY 2008 vs FY 2007

Share in net earning of associate decreased 47% due to the decrease in net earnings of POSC.

Interest income decreased 87% due mainly to the unconsolidation of RBB.

Gain on revaluation in the amount of P726 million was due mainly to the new revaluation of Montemaria properties.

Unrealized FOREX loss due mainly to the loss on translated value of Countyrwide Transcapital Zone Holdings, Inc. loans payable.

Other income decreased 95% due to unconsolidation of Alpha Asia and Batangan Plaza.

The decreased in Taxes and licenses; Professional and other services; Salaries, wages and employee benefits; Utilities; Office supplies and publications; Depreciation; Repairs and maintenance; Transportation; Insurance; and Miscellaneous expenses due mainly to unconsolidation of Abacus Global Technovisions, Inc. and Rural Bank of Batangas.

The increase in Management and directors' fees is due mainly to bonuses paid to management and adjustment of directors' per diems.

Rent expense increased due to increase of rental per contract and payment of accumulated rent.

Representation expenses increased 3% due to PRIDE's expenses for negotiation meetings for project development.

Key performance indicators (KPIs) of parent company and subsidiaries

	ABA[1]	PRIDE	ABA[1]	PRIDE
	December 31, 2009		*December 31, 2008*	
Gross income	698,774,220	350	747,962,420	3,263,500
Net income	464,957,035	(847,994)	532,087,745	(13,499,624)
Return on assets[2]	14.926%	(0.161%)	19.580%	(2.479%)
Current ratio[3]	2.890	0.540	3.644	.708
Tangible net worth[4]	2,415,890,497	466,844,154	1,939,748,752	467,806,895

[1]parent and subsidiaries
[2]net income/average total assets
[3]current assets/current liabilities
[4]net worth minus intangible assets

For a discussion and analysis of the above KPIs, see above under the headings "2009" and "2008".

Notes:

1) Abacus Goldmines Exploration and Development Corporation and Abacus Coal Exploration and Development Corporation are still in pre-operating stage.

2) Abacus Global Technovisions, Inc. (AbaGT) is no longer included in the consolidation because the holdings of Abacus Consolidated Resources and Holdings, Inc. (ACRHI) in AbaGT were reduced to 9.64% due to the distribution of AbaGT shares as property dividend to ACRHI's stockholders.

Additional notes regarding the company's operations and financial condition

The company does not have and does not anticipate having within the next twelve (12) months any cash flows or liquidity problems. Neither is the company in default or breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments, nor does the company have a significant amount of trade payables unpaid within the stated trade terms.

To the best of the company's knowledge there are no events that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation.

The company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The company generates sources of liquidity by pre-termination of short-term cash placements and disposal of fixed assets.

The company has no material commitments for capital expenditures during the reporting period.

Seasonality or cyclicality is not applicable to the parent company, being a holding company with minimal operations. Neither is it applicable to any of the subsidiaries considering the nature of their respective businesses.

There are no material events and uncertainties known to the management that would cause reported financial information not to be necessarily indicative of future operating results or future financial condition.

IV. Nature and Scope of Business

Abacus Consolidated Resources and Holdings, Inc. ("Abacus") was incorporated on April 30, 1981 as Piedra Negra Mining Corporation, a coal mining company, and publicly listed its shares on October 28, 1987. In 1989 the current majority owners bought out the original stockholders, took control of the company and converted it into a holding company under its present name.

As a holding company Abacus owns a controlling interest in companies engaged in financial services, real estate, gold mining, and coal mining. It also has a significant stake in Pacific Online Systems Corporation, a company that holds an exclusive right to lease online lottery equipment for the lotto operations of the Philippine Charity Sweepstakes Office in Visayas and Mindanao.

Financial services	Philippine Regional Investment Development Corporation (PRIDE)
Real Estate	Omnicor Industrial Estate and Realty Center, Inc. (Omnicor)
Gold mining	Abacus Goldmines Exploration & Development Corp.
Coal mining	Abacus Coal Exploration & Development Corp.
Leasing of gaming equipment	Pacific Online Systems Corporation (POSC)

Financial services

Abacus owns a 96.4% controlling interest in Philippine Regional Investment Development Corporation (PRIDE). Incorporated in 1979, PRIDE is a duly-licensed investment house and a member of the Investment House Association of the Philippines. PRIDE is mostly engaged in arranging project financing for a variety of real estate, logistics and infrastructure projects. PRIDE has two financial services subsidiaries, namely, Philippine International Infrastructure Fund, a newly-established mutual fund, and Rural Bank of Batangas, a 52-year old bank which is now a development bank known as Pride Star Development Bank, Inc.

Real estate

The real estate activities of Abacus are lodged mainly under Omnicor Industrial Estate and Realty Center, Inc. (Omnicor), a fully owned real estate subsidiary of PRIDE.

Omnicor's main real estate project is a residential, pilgrimage and recreation complex located in a 100-hectare plus property located in Matuco Point, Batangas City. Matuco Point lies at the southwest tip of Batangas Bay, 30 minutes drive from Batangas City proper. With a peak elevation of 180 meters above sea level, Matuco point slopes down toward white-sand beaches facing Verde Island Passage, a very special strip of sea that is home to spectacular reef formations of more than 300 species of coral and underwater rock canyons and hosts nearly 60 percent of the world's known shorefish species. On a quiet spot of Matuco Point, a pilgrimage site called Monte Maria will be built, a retreat house, meditation gardens, condotels and other facilities. The project is still in its development stage.

Gold mining

Abacus holds 102 gold mining claims in San Francisco and Rosario, Agusan del Sur, which are covered by Exploration Permit Application No. 000028-XIII. Abacus has an existing Mines Operating Agreement with Phsamed Mining Corporation (PHSAMED) for the purpose of completing the preparatory activities and proceeding to the exploration and development of these mining properties. PHSAMED will operate the properties. In exchange, PHSAMED shall pay ABACUS three percent (3%) gross royalty on all gold and silver production from the tenement. PHSAMED is a Davao City-based joint venture company formed by Philsaga Mining Corporation, a Filipino mining venture, and Medusa Mining Limited, an Australian mining firm. Abacus is in the process of spinning off its gold properties to Abacus Goldmines Exploration and Development Corporation, a fully owned subsidiary.

Coal mining

Abacus has spun off its coal mining rights per its Coal Operating Contract No. 148 with the Department of Energy to Abacus Coal Exploration and Development Corporation (Abacus Coal), a fully owned subsidiary. The coal contract covers Coal Block Nos. L38-84 to –89 and L38-249, located in Tago and Marihatag, Surigao del Sur. These coal blocks contain coal that are generally of the sub-bituminous type. Production in Block No. L38-85 up to 1990 yielded 3,024 metric tons. On September 24, 2008 Abacus entered into a Heads of Agreement with listed firms Music Semiconductors Corporation (Music) and Lodestar Investment Holdings Corporation (Lodestar). The agreement provides for the sale of Abacus Coal in favor of the Music and Lodestar, subject to due diligence to be performed by the purchasers. In May 2009 Music assigned its right to acquire 55% participation and equity interest in Abacus Coal to Lodestar. The due diligence process was completed in June 2009, and the parties have initiated the process leading to the registration of Abacus Coal shares in the name of Lodestar.

Leasing of gaming equipment

Abacus owns an 18% stake in Pacific Online Systems Corporation (POSC), lessor of online betting equipment for the lotto operations of the Philippine Charity Sweepstakes Office (PCSO) in Visayas and Mindanao. POSC disclosed that it more than doubled its net income from P130 million in 2008 to P263 million in 2009 principally from increased lottery and instant scratch ticket sales. POSC has earmarked P100 million in preparation for the implementation of SMS-based betting on lottery games lotto. This is expected to further widen the reach of lottery games and increase revenues.

Competition

The company may face competition for its real estate projects from other companies also engaged in similar types of development. Abacus' properties, however, possess unique features that give them an edge over similar types of development. Matuco Point is situated beside a pilgrimage site and next to a center of marine biodiversity; the Rosario property combines fertile climate and soil with easy access to the principal markets for agricultural products in Calabarzon; etc.

In the area of financial services, Abacus will face normal competition from other parties that offer similar services in the capital and financial markets although, since the project financing activities of PRIDE are concentrated on projects of affiliate companies, its business is hardly affected by such competition.

Insofar as the company's mining businesses are concerned, both its gold and coal mining properties are still in pre-operating stage. Competition among producers of gold, on the one hand, and coal, on the other is not very significant given high worldwide demand for both. Once this demand dips, however, the company will face greater competition from mining companies in the Philippines and in other mine-producing countries.

Abacus' interest in the lease of lottery equipment is through Pacific Online Systems Corporation (POSC) which enjoys an exclusive right to lease betting equipment to PCSO in Visayas and Mindanao and therefore faces no competition in that regard.

Assessment of business risk

The success of the company's real estate projects is dependent on quality of execution and marketing. The projects in pipeline represent the company's first foray into property development as such. Execution risks therefore exist, which the company hopes to mitigate with its signing with a reliable development partner.

The company's financial services business carries the usual attendant risks, but since, as stated above, PRIDE services mainly its affiliate companies, these risks are properly contained.

For the leasing of lottery equipment, revenues may be threatened by cultural and political factors. More significantly, this business is also dependent on the grant of lease renewals beyond the current lease periods.

For its mining interests, the company faces the risk of non-recovery of pre-operating costs in the event actual exploration does not yield significant results.

V. Directors and Executive Officers

Jose V. Romero, Chairman of ABACUS, is also Chairman of the Board of Philippine Regional Investment Development Corporation (PRIDE), an investment house. He is a member of the Southeast Asia Advisory Board of Rolls Royce International and Senior Adviser of the Gulfstream Aerospace and Power Corporation (both UK). He previously served as Chairman of the Philippine Coconut Authority and as Ambassador to Italy. He earned his masteral and bachelor's degrees in Economics and History at Cambridge University, UK.

Manuel A. De Leon, Vice Chairman of ABACUS, is a director of PRIDE, Asean Publishers, Inc. and Asean Integrated Management, Inc. He also serves as Vice Chairman and Executive Vice President of Pacific Online Systems Corporation. He was a director of the Manila Banking Corporation and served as advertising and marketing executive in J. Walter Thompson, Philippine Refining Company and The Manila Chronicle.

Leonardo S. Gayao took over the post of President on March 16, 2009. Atty. Gayao has been a Director of Abacus Consolidated Resources and Holdings, Inc. since 1993. Since 2005 he has also been its Vice President-Legal. He has also been President of Philippine Regional Investment Development Corporation, an investment house, and Chairman of Omnicor Industrial Estate and Realty Center, Inc. since 1995. He sits in the Board of various corporations engaged in real estate activities, leasing of gaming equipment, banking and mining. He has been continuously engaged in management, law practice and deal making for the past 30 years. He obtained his Bachelor of Laws degree from the San Beda College.

Calixto Y. Laureano is Managing Director of Flexo Manufacturing Corporation, an industry leader in the packaging industry. He is also a director of Apollo Development Corporation, Leveflex Corporation and Scanatronics Repro Corporation, among others. He is a chemical engineer and businessman.

Ricardo C. Leong is a director of Flexo Manufacturing Corporation and Sinophil Corporation and a member of the Advisory Board of Equitable PCI Bank. He obtained his Bachelor of Science Degree in Mathematics from Fordham University, New York.

Martha R. Horrigan is a director of Professional Pension Plans, Inc. and Professional Academic Plans, Inc. She is an actuary and has been involved in a variety of businesses including mining, real estate, restaurants and pre-need plans.

Willy N. Ocier is the Chairman and President of Pacific Online Systems Corporation. He also serves as Co-Vice Chairman of Belle Corporation and Highlands Prime, Inc.; as Chairman of Tagaytay Midlands Golf, Inc., APC Group, Inc., and Sinophil Corporation; as Vice Chairman of Tagaytay Highlands International Golf Club, Inc.; and as a Director of iVantage Corporation. He was also previously affiliated with Eastern Securities Development Corporation, being its past President and Chief Operations Officer.

William Y. Tieng was elected director at the July 10, 2008 annual stockholders' meeting. His business experience spans a period of more than 30 years, in companies engaged in the importation and distribution of internationally known brands of consumer goods, cable television, real estate and securities trading. Currently he is the Chairman of the Board of Federated Distributors, Inc., Solar Entertainment Corporation, Solar Resources, Inc. and KLG International Inc. He is also Vice Chairman of the Media Committee of the Federation of Filipino-Chinese Chamber of Commerce and Industry. Mr. Tieng has a degree in Business Administration from the De La Salle University.

Clarita T. Zarraga was the President of ABACUS until March 15, 2009. She is also a director of PRIDE and Blue Stock Development Holdings, Inc., Rural Bank of Batangas, Inc., Batangan Plaza, Inc., Montemayor Aggregates and Mining Corporation and Alpha Asia Hotels and Resorts, Inc. She is a Certified Public Accountant and licensed real estate broker.

Antonio Victoriano F. Gregorio III was elected director at the July 9, 2009 annual stockholders' meeting. He finished BS Management Engineering and AB Management Honors at the Ateneo de Manila University. He obtained his law degree from the same school.

Manuel R. Moje was elected director during the annual stockholders' meeting held on July 9, 2009. Currently he is the Vice Chairman of Click Communication, Inc. and director of Philippine Regional Investment Development Corporation. He obtained his Bachelor of Business Administration degree from the Philippine College of Commerce in 1956. He finished Bachelor of Laws from the University of the Philippines in 1963.

Arturo V. Magtibay was elected director at the July 9, 2009 annual stockholders' meeting. He also serves as President of Abacus Global Technovisions, Inc. He was the Provincial Engineer of Batangas from 1996 to 2007. He is also Assistant Professor III and Chairman of the College of Engineering of the University of Batangas. He finished Bachelor of Science in Civil Engineering at the Mapua Institute of Technology.

Gonzalo G. Puyat II is a well-known businessman, politician and sports advocate. He was President of the International Amateur Basketball Federation (FIBA) from 1976 to 1984. From 1984-1986 he served as Representative to the Batasang Pambansa.

Guido Alfredo A. Delgado was elected independent director at the July 9, 2009 annual stockholders' meeting. He is the Chairman of the Board of Philippine Power Distributors Investments Corporation since 2002 and the President and Chief Executive Officer of GAA Delgado, Inc., a consulting firm specializing in oil and energy business, since 1998. Mr. Delgado was independent director of Philex Mining Corporation from 2004 to 2008 and director of A Brown Co., Inc. from 1999 to 2004. From 1994 to 1998 he was President and Chief Executive Officer of National Power Corporation from 1994 to 1998. He obtained his BS Agribusiness degree cum laude from the University of the Philippines and his MS Finance degree from the University of Manchester, UK.

Joaquin E. San Diego, Vice President and Corporate Secretary of ABACUS, is also Vice President and Corporate Secretary of PRIDE and Compliance Officer of Rural Bank of Batangas, Inc. He is a practicing lawyer and licensed chemical engineer and previously served as Legal Counsel to the Federation of

Regional Development Councils. He finished BS Chemical Engineering and Bachelor of Laws at the University of the Philippines.

Jose L. Carlos, Jr. was appointed Treasurer effective March 16, 2009. Mr. Carlos was a member of the Management Committee and Vice President of Globe Telecom, Inc. from 1998 to 2001. Previously he was a Information Technology General Manager of PT Indofod Sukses Makmur and Chief Information Officer of Salim Food and Consumer Products Division of the Salim Group in Indonesia. Mr. Carlos has expertise in finance, information technology and experimental science. He holds a PhD in Chemistry from Cornell University, New York.

Rico G. De los Reyes was appointed Comptroller on April 2, 2009. Mr. De los Reyes served in the accounting staff of Alpha Asia Hotels and Resorts, Inc., until he was tapped to join the accounting staff of Philippine Regional Investment Development Corporation in 2004. In 2008, upon the resignation of Mr. Nelson P. Santos as Comptroller of Abacus Consolidated Resources and Holdings, Inc. (ACRHI), Mr. De los Reyes was tapped by then Treasurer, Mr. Iluminado B. Montemayor to assist in the Treasury and Accounting Department of ABACUS. Mr. De los Reyes graduated with a degree of BS Commerce, major in accounting from the University of Batangas.

VI. Compliance with leading practices of Corporate Governance

The company's governance rules are embodied in its articles of incorporation, its corporate by-laws, and its Manual of Corporate Governance (the "Manual"). The Manual specifies the role of the Board and of the other governing bodies of the company and provides for compliance procedures. The Company fully complies with the provisions of the Manual. There were no deviations from the Manual during the reporting period.

The Board has constituted three principal governance committees: the Nomination Committee, the Compensation and Remuneration Committee, and the Audit Committee. There were no changes in the company's governance structures and practices during the reporting period.

The Corporate Secretary, in his role as Compliance Officer, coordinates with the Chairman and other members of the Board in monitoring and ensuring the compliance of the Board, officers and employees with the policies and provisions contained in the Manual.

The Company participated in the recent Corporate Governance Survey conducted by the Securities and Exchange Commission, the Philippine Stock Exchange and the Institute for Corporate Directors.

Disclosures submitted to the SEC and PSE, including corporate governance reports, can be accessed at the company's website, www.abacusconsolidated.com.

The company adopted a Revised Corporate Governance Manual in April 2010 and submitted a copy thereof to the SEC. In the revised manual, the company incorporated the pertinent changes in the SEC's Revised Code of Corporate Governance (SEC Memorandum Circular 6-2009).

VII. Market Price and Dividends

Market Price

The company's shares are listed and traded at the Philippine Stock Exchange (PSE). The company's stock was trading at the following prices during the first quarter of 2010 and the two (2) previous fiscal years:

		ABA (in Pesos)		**ABAB (in Pesos)***	
		HIGH	LOW	HIGH	LOW
2010	June 2	0.51	0.47	NA	NA
	1Q	0.63	0.59	NA	NA

2009	1Q	0.91	0.87	NA	NA
	2Q	0.96	0.95	NA	NA
	3Q	0.91	0.88	NA	NA
	4Q	0.90	0.86	NA	NA
2008	1Q	0.008	0.0075	NA	NA
	2Q	0.007	0.007	NA	NA
	3Q	0.007	0.0065	NA	NA
	4Q	0.64	0.45	NA	NA

Note: Shares were declassified and par value was changed form P0.01 to P1.00 effective November 19, 2008.

Holders

The company has approximately 800 holders of common shares, including beneficial owners of shares under PCD.

Top 20 stockholders as of May 31, 2010:

	Name of Stockholder	No. of Shares	Percentage of Ownership
1	PCD Nominee Corporation	1,193,952,172	59.71%
2	Blue Stock Development Holdings, Inc.	602,931,836	30.15%
3	Countrywide Transcapital Zone Holdings, Inc.	70,100,000	3.51%
4	Phil. Regional Investment Development Corp.	32,635,000	1.63%
5	Ramon De Leon	21,572,221	1.08%
6	Omnicor Industrial Estate & Realty Center, Inc.	19,395,000	0.97%
7	Richard Raymond Leong	7,190,739	0.36%
	Rosselle Leong	7,190,739	0.36%
	Ricardo Leong	7,190,739	0.36%
8	Calixto Y. Laureano	3,595,370	0.18%
9	Jackson Laureano	2,493,889	0.12%
	James Laureano	2,493,889	0.12%
10	Jose V. Romero Jr.	2,360,010	0.11%
11	Lucio W. Yan and/or Clara Y. Yan	2,000,000	0.10%
12	Clarita T. Zarraga	1,643,655	0.08%
13	Lourdes H. Tinio	1,500,000	0.07%
14	Arlene &/or Bethelann &/or Fedelina U. Ravalo &/or Eliodoro Ravalo	1,300,000	0.06%
15	Iluminado B. Montemayor	1,234,870	0.06%
16	All Asia Securities, Inc. FAO IMT 128710	1,000,000	0.05%
17	Martha R. Horrigan	925,000	0.04%
18	AACTC/SFP FAO TRINITY INVESTMENT	670,000	0.03%
19	Clemente Y. Ong	610,000	0.03%

20	Jose Mari M. Miranda &/or Nola Happy O. Miranda	600,000	0.03%
	Juan G. Santillan	600,000	0.03%
	TOTAL	1,985,185,129	99.28%

Recent Sales of Unregistered or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction

The company conducted a stock rights offering in January 2008, with the following particulars:

a) Date of sale: January 10-16, 2008 (offer period)
Securities sold: 39,894,020,033 common shares

b) Underwriters: none
Purchasers: existing stockholders only

c) Total offering price: P398,940,200.33
Underwriting discounts/commissions: none

d) Basis of exemption from registration: Section 10.1 e) of the Securities Regulation Code – only stockholders as of record date, to the exclusion of any other parties, were eligible to purchase shares/avail of the stock rights offering

On 28 December 2009 the company issued 654,529,820 new shares pursuant to a Deed of Exchange of Shares of Stock with Blue Stock Development Holdings, Inc. The particulars of the issuance are as follows:

a) Date of issuance: 28 December 2009
Securities issued: 654,529,820 common shares

b) Underwriters: none
Purchasers: existing stockholder only

c) Total price of issuance: P654,529,820.00
Underwriting discounts/commissions: none

d) Basis of exemption from registration: Section 10.1 e) of the Securities Regulation Code – issuance to existing stockholder only, where no commission or other remuneration is paid or given directly or indirectly in connection with the issuance of shares

Dividends

On January 24, 2008 the company declared a ten percent (10%) property dividend, with record date 14 February 2008, consisting of approximately P200 million worth of shares of Abacus Global Technovisions, Inc. The Certificate of Filing of Notice of Property Dividend Declaration was issued by the SEC on April 8, 2008. The company did not declare any other dividends during the last three (3) years.

There are currently no restrictions that limit the company's payment of dividends on its common shares.

The company undertakes to furnish any stockholder, upon written request, copy of SEC Form 17-A free of charge. Written requests must be addressed to the following:

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
28 N. Domingo St., New Manila, Quezon City 1112

Attention: ATTY. JOAQUIN E. SAN DIEGO
Vice President and Corporate Secretary

COVER SHEET

					9	8	7	8	0

S.E.C. Registration Number

ABACUS CONSOLIDATED RESOURCES
AND HOLDINGS, INC.
AND SUBSIDIARIES

(Company's Full Name)

NO. 28 N. DOMINGO ST. NEW MANILA
QUEZON CITY

(Business Address : No. Street City/Town/Province)

ATTY. JOAQUIN E. SAN DIEGO	**725-7875; 724-5055**
Contact Person	Company Telephone Number

12	**31**	**AFS-09**	**07**	**2nd Thurs.**
Month	*Day*	FORM TYPE	*Month*	*Day*
			Annual Meeting	

(PC) LISTED SECURITIES

Secondary License Type, If Applicable

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

ABACUS
Consolidated Resources & Holdings, Inc.
No. 28 N. Domingo St., near corner Gilmore St., New Manila, Quezon City
Tel. Nos. 726-79-06, 725-78-75, 724-50-55; Fax No. 724-3290

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Abacus Consolidated Resources & Holdings, Inc.** is responsible for all information and representations contained in the financial statements for the year (s) ended December 31, 2009 and 2008. The financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

Alba Romeo & Co., CPAs, the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

JOSE V. ROMERO, JR.
Chairman of the Board

LEONARDO S. GAYAO
President

JOSE L. CARLOS, JR.
Treasurer

SUBSCRIBED AND SWORN to before me this APR 28 2010 day of ___________, 2010. Affiant exhibited to me their identification documents, as follows:

NAMES	IDENTIFICATION DOCUMENT	PARTICULARS
JOSE V. ROMERO, JR.	Passport No. UU0605266	Valid Until 02.02.12
LEONARDO S. GAYAO	Passport No. XX0449982	Valid Until 01.30.13
JOSE L. CARLOS, JR.	Passport No. XX4279851	Valid Until 08.11.14

Doc. No. 267;
Page No. 59;
Book No. 10;
Series of 2010.

ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
Notary Public
NOTARIAL COMMISSION NO. NP-052
COMMISSION EXPIRES DEC. 31, 2011
PTR NO. 31[illegible]; [illegible]; Q.C.
IBP NO. 774[illegible]; 1/12/2010; Q.C.
ROLL OF ATTORNEY NO. 25103

BDO

Alba Romeo & Co.
7/F Multinational Bancorporation Centre
6805 Ayala Avenue Makati City 1226
Philippines
Branches: Bacolod/Cagayan de Oro/Cebu

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www.bdo.net.ph

BOA/PRC Reg. No. 0005
SEC Accreditation No. 0007-F

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Abacus Consolidated Resources and Holdings, Inc. and Subsidiaries
No. 28 N. Domingo Street,
New Manila, Quezon City

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Abacus Consolidated Resources and Holdings, Inc. and Subsidiaries** (the Group), which comprise the consolidated statements of financial position as of December 31, 2009 and 2008, and the statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2009 and a summary of significant accounting policies and other explanatory notes. The financial statements of Vantage Realty Corporation, Kapuluan Properties Inc., and their component subsidiaries and the subsidiaries of Philippine Regional Investment Development Corporation were audited by another auditor whose audit reports dated January 29, 2010 expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Abacus Consolidated Resources and Holdings, Inc. and Subsidiaries** as of December 31, 2009 and 2008, and of its consolidated financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information shown on Schedules C, D, E, F, G, H and I is presented for purposes of complying with the Securities Regulation Code 68.1 and SEC Memorandum Circular No. 11, series of 2008 and are not part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly sated in all material respects in relation to the basic financial statements taken as a whole.

Alba Romeo and Co.

LETICIA C. TAGLE
Partner
CPA Certificate No. 0017358
PTR No. 2124103, January 18, 2010
Tax Identification No. 123-048-280
SEC Accreditation No. 0039-AR-2
SEC Accreditation No. 0007-FR-2
BIR Accreditation No. 08-001682-6-2009
PRC/BOA Accreditation No. 0005

Makati City, Philippines
April 30, 2010

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

	Note	2009	2008
ASSETS			
Cash and cash equivalents	5	**P14,031,107**	P48,009,654
Trade and other receivables	6	**12,217,593**	13,960,760
Advances to related parties	13	**131,300,482**	109,798,635
Investment in associates	7	**583,924,487**	552,672,354
Goodwill	8	**401,941,532**	252,559,554
Investment property	9	**2,318,803,340**	1,719,570,370
Property and equipment, net	10	**17,131,605**	1,131,551
Construction-in-progress	11	**25,058,401**	11,714,502
Deferred exploration costs	12	**7,113,532**	7,113,532
Other assets		**1,294,376**	977,355
		P3,512,816,455	P2,717,508,267
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accrued expenses	14	**P21,640,496**	P22,080,712
Advances from related parties	13	**-**	686,492
Deposit for the sale of investment in AbaCoal	21	**30,000,000**	15,000,000
Advances from joint venture	23	**9,500,000**	9,500,000
Income tax payable		**14,174**	16,670
Loans payable	15	**70,089,787**	41,342,400
Deferred tax liability	9,19	**563,619,257**	436,452,975
Rental deposit payable		**120,712**	120,712
Total Liabilities		**694,984,426**	525,199,961
Equity			
Share capital	17	**2,359,013,290**	1,704,483,470
Shares held by subsidiaries		**(114,920,708)**	(156,718,906)
		2,244,092,582	1,547,764,564
Retained earnings		**457,006,851**	567,239,439
		2,701,099,433	2,115,004,003
Treasury shares	17	**(1,150,790)**	(5,865,000)
Minority Interest	17	**117,883,386**	83,169,303
Total Equity		**2,817,832,029**	2,192,308,306
		P3,512,816,455	P2,717,508,267

(The notes on pages 5 to 44 are an integral part of these consolidated financial statements.)

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years ended December 31, 2009, 2008 and 2007

	Note	2009	2008	2007
Income				
Share in net earnings of associate	7	**P51,389,136**	P24,447,102	P46,128,046
Interest income		**1,160,142**	2,803,814	21,863,212
Rental income	9,26	**622,609**	235,847	1,938,942
Gain on sale of investment in associate	7	**29,011**	-	513,528,203
Excess of net assets of the acquirees over cost of acquisition	28	**-**	-	68,414,946
Unrealized foreign exchange gain (loss)		**(490,488)**	(6,266,555)	6,717,110
		52,710,410	21,220,208	658,590,459
Expenses				
Compensation and benefits	16	**16,447,200**	4,890,974	15,095,958
Taxes and licenses	16	**5,832,023**	10,389,526	12,018,336
Professional and other services		**5,176,979**	6,140,467	10,009,556
Management and directors' fees	16	**2,182,353**	7,598,611	3,006,736
Transportation		**1,691,397**	327,935	820,018
Representation		**1,549,919**	1,200,099	1,164,213
Office supplies and publications		**1,129,398**	557,771	1,226,319
Utilities		**599,169**	1,615,493	2,846,259
Rent	26	**258,156**	130,978	440,864
Depreciation	10	**411,325**	428,737	362,614
Repairs and maintenance	9	**213,616**	306,125	502,076
Insurance		**3,172**	34,226	325,516
Commission		**-**	-	643,500
Impairment		**-**	-	2,052,532
Miscellaneous		**1,616,963**	1,322,683	5,663,914
		37,111,670	34,943,625	56,178,411
Income (Loss) from Operations		**15,598,740**	(13,723,417)	602,412,048
Other Income (Loss)				
Gain on revaluation	9	**645,109,143**	726,078,600	-
Trading gain (loss)		**-**	57,997	-
Loss on disposal of an investment property	9	**-**	-	(8,130,000)
Other income		**464,179**	605,616	11,404,037
		645,573,322	726,742,213	3,274,037
Finance Costs				
Interest expense	15	**4,918,647**	1,151,025	6,217,929
Bank charges		**1,673,179**	73,704	11,149
		6,591,826	1,224,729	6,229,078
Income before Tax		**654,580,236**	711,794,067	599,457,007
Provision for Income Tax				
Current	19	**33,989**	34,727	908,029
Deferred	19	**189,589,212**	179,671,595	10,163,444
		189,623,201	179,706,322	11,071,473
Net Income		**464,957,035**	532,087,745	588,385,534
Other Comprehensive Income		**-**	-	-
Total Comprehensive Income		**P464,957,035**	P532,087,745	P588,385,534
Attributable to:				
Equity holders of the Parent Company		**437,806,708**	531,881,610	386,202,930
Minority interest		**27,150,329**	206,135	202,182,604
		P464,957,037	P532,087,745	P588,385,534
Basic Earnings per Share	20	**P0.266666**	P0.354423	P0.002660

(The notes on pages 5 to 44 are an integral part of these consolidated financial statements.)

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2009, 2008 and 2007

	Attributable to the Equity Holders of the Parent Company						
	Share Capital (Note 17)	Shares Held by Subsidiaries	Treasury Shares (Note 17)	Revaluation Surplus	Retained Earnings (Deficit)	Minority Interest (Note 17)	Total
Balances at January 1, 2007	P1,601,625,814	(P25,257)	(P5,865,000)	P-	(P113,632,215)	P54,436,624	P1,536,539,966
Additional subscription by subsidiaries	-	(136,244,234)	-	-	-	-	(136,244,234)
Deposit for future stock subscription by minority interest	-	-	-	-	-	6,000,000	6,000,000
Decrease in the investment of parent in a subsidiary	-	-	-	-	(14,978,271)	-	(14,978,271)
Additions with the acquisition of AbaGT's subsidiaries	-	-	-	3,818,501	-	24,974,835	28,793,336
Cash dividends paid	-	-	-	-	(105,732,841)	(45,787,418)	(151,520,259)
Net income for the year	-	-	-	-	386,202,930	202,182,604	588,385,534
Balances at December 31, 2007	1,601,625,814	(136,269,491)	(5,865,000)	3,818,501	151,859,603	241,806,645	1,856,976,072
Additional subscription	102,857,656	-	-	-	-	-	102,857,656
Additional subscription by subsidiaries	-	(20,449,415)	-	-	-	-	(20,449,415)
Property dividends paid	-	-	-	-	(187,257,100)	-	(187,257,100)
Effect of change in ownership structure	-	-	-	(3,818,501)	70,755,325	(158,843,477)	(91,906,653)
Net income for the year	-	-	-	-	531,881,610	206,135	532,087,745
Balances at December 31, 2008	1,704,483,470	(156,718,906)	(5,865,000)	-	567,239,439	83,169,303	2,192,308,306
Additional subscription by subsidiaries	654,529,820	-	-	-	-	-	654,529,820
Shares disposed by subsidiaries	-	41,798,198	-	-	-	-	41,798,198
Derecognition of revaluation gain	-	-	-	-	(463,651,400)	-	(463,651,400)
Effect of change in ownership structure	-	-	-	-	(84,387,896)	7,563,754	(76,824,142)
Re-issuance of treasury shares	-	-	4,714,210	-	-	-	4,714,210
Net income for the year	-	-	-	-	437,806,708	27,150,329	464,957,037
Balances at December 31, 2009	**P2,359,013,290**	**(P114,920,708)**	**(P1,150,790)**	**P-**	**P457,006,851**	**P117,883,386**	**P2,817,832,029**

(The notes on pages 5 to 44 are an integral part of these consolidated financial statements.)

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009, 2008 and 2007

	Notes	2009	2008	2007
Cash Flows from Operating Activities				
Income before tax		**P654,580,237**	P711,794,067	P599,457,007
Adjustments for:				
Gain on revaluation of investment property	9	**(645,109,143)**	(726,078,600)	-
Share in net earnings of an associate	7	**(51,389,136)**	(24,447,102)	(46,128,046)
Finance cost	15	**4,918,647**	1,151,025	6,217,929
Depreciation	10	**411,325**	428,737	362,614
Gain on disposal of investment in an associate	7	**(29,011)**	-	(513,528,203)
Loss on disposal of an investment property	9	**-**	-	8,130,000
Excess of net assets over the cost of acquisition of the acquirees	28	**-**	-	(68,414,946)
Interest income		**(1,160,142)**	(2,803,814)	(21,863,212)
Unrealized foreign exchange gain (loss)		**(490,488)**	(6,266,555)	6,717,110
Operating loss before working capital changes		**(38,267,711)**	(46,222,242)	(29,049,747)
Decrease (increase) in:				
Due from BSP		**-**	-	8,820
Trade and other receivables		**1,743,167**	(7,537,222)	20,917,731
Advances to related parties	13	**(21,501,847)**	(53,370,878)	500,167,858
Inventories		**-**	-	(98,665)
Loans receivable		**-**	-	15,254,280
Other assets		**(272,189)**	2,571,480	(1,524,909)
Increase (decrease) in:				
Accounts payable and accrued expenses		**(440,216)**	4,113,871	15,002,814
Advances from heads of agreement	21	**15,000,000**	15,000,000	-
Advances from joint venture	23	**-**	9,500,000	-
Deposit liabilities		**-**	-	8,349,640
Bills payable		**-**	-	(9,358,865)
Cash provided by (used in) operations		**(43,738,796)**	(75,944,991)	519,668,957
Interest received		**1,160,142**	2,803,814	21,863,212
Interest paid	14	**(4,918,647)**	(1,151,025)	(6,217,929)
Income tax paid		**(36,485)**	(439,507)	(627,334)
Net cash provided by (used in) operating activities		**(47,533,786)**	(74,731,709)	534,686,906
Cash Flows from Investing Activities				
Construction-in-progress	11	**(13,343,899)**	(11,714,502)	-
Disposal (acquisition) of shares held by subsidiaries		**41,798,198**	(20,449,415)	(136,244,234)
Proceeds from disposal of an associate	7	**-**	-	584,154,804
Additions to investment property		**-**	-	(100,196,380)
Acquisition of an associate		**-**	-	(474,043,466)
Proceeds from disposal of investment property	9	**-**	-	64,350,000
Acquisition of property and equipment	10	**(16,427,200)**	(274,972)	(223,105,588)
Receipt of deposit for future stock subscription		**-**	-	6,000,000
Net cash provided by (used in) investing activities		**12,027,099**	(32,438,889)	(279,084,864)
Cash Flows from Financing Activities				
Changes in advances from related parties		**87,294**	11,361,844	(11,678,411)
Proceeds from loan	15	**67,400,000**	-	1,462,846
Payment of loan	15	**(38,652,613)**	-	-
Cash dividends paid		**-**	-	(151,520,529)
Net cash provided by (used in) financing activities		**28,834,681**	11,361,844	(161,736,094)
Effect of Changes in Foreign Exchange Rates		**490,488**	6,266,555	(6,717,110)
Net Increase (Decrease) in Cash and Cash Equivalents		**(6,181,518)**	(89,542,199)	87,148,838
Effect of Change in Ownership Structure		**(27,797,029)**	42,578,346	-
Cash and Cash Equivalents, January 1	5	**48,009,654**	94,973,507	7,824,669
Cash and Cash Equivalents, December 31	5	**P14,031,107**	P48,009,654	P94,973,507

(The notes on pages 5 to 44 are an integral part of these consolidated financial statements.)

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC. and SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2009, 2008 and 2007

NOTE 1 - CORPORATE INFORMATION AND APPROVAL OF FINANCIAL STATEMENTS

1.1 Corporate Information

Abacus Consolidated Resources and Holdings, Inc. (ACRHI or the Parent Company), is a publicly listed corporation registered with the Philippine Securities and Exchange Commission (SEC) on May 5, 1981. Its primary purpose is to purchase, subscribe for, or otherwise acquire, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or dispose of real and/or personal properties of every kind and description, including shares of stocks, voting trust certificates for shares of capital stocks and other securities, contracts, or obligations of any corporation or association, domestic or foreign, and to pay therefore, in whole or in part, in cash or in property or by exchanging stocks or bonds of other corporation. Its secondary purpose is to engage in the exploration and exploitation of ore and other mineral resources in the Philippines.

The Parent Company's shares are traded in the Philippine Stock Exchange (PSE). It owns majority stockholdings in five subsidiaries that are in the business of exploration, investment and real estate.

Blue Stock Development Holdings, Inc. (BSDHI), formerly Blue Stock Development Farms, Inc., is the majority stockholder of the Parent Company as of December 31, 2009. The Parent Company issued new shares to BSDHI when it acquired its two subsidiaries during the year which increased the ownership of the Parent Company by BSDHI from 41.82% in 2008 to 50.27% in 2009.

BSDHI does not prepare consolidated financial statements, thus, ACRHI is the one that prepares the consolidated financial statements.

The details of the Parent Company's ownership in its direct subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Effective Percentage of Controlling Interest 2009	2008
Philippine Regional Investment Development Corporation (PRIDE)	Investment house	**96.40**	96.40
Kapuluan Properties, Inc. (KPI)	Real estate	**100.00**	-
Vantage Realty Corporation (VRC)	Real estate	**100.00**	-
Abacus Coal Exploration and Development Corporation (AbaCoal)	Coal exploration	**100.00**	100.00
Abacus Goldmines Exploration and Development Corporation (AbaGold)	Gold exploration	**100.00**	100.00

The Parent Company and its subsidiaries (the Group), has principal business interests in real estate, exploration and investment. The Group conducts business in the Philippines with primary operations in Batangas. In 2009, the Parent Company acquired KPI and VRC from BSDHI (see Notes 8 and 28).

Approval of Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 30, 2010. Atty. Leonardo S. Gayao, President of the Parent Company, has been authorized by the BOD to cause the issuance of the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Additionally, the preparation of these financial statements in conformity with Philippine Financial Reporting Standards (PFRS) requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of measurement

The Group's consolidated financial statements have been prepared based on historical cost except for certain investment property which have been measured at their appraised values and investments in associates which have been measured using the equity method.

Statement of compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Financial Reporting Standards Council (FRSC).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009. The financial statements of the subsidiaries are prepared for the same reporting year as the Group, using consistent accounting policies. The consolidated financial statements present the financial performance and financial position of the Group and its subsidiaries as if they form a single entity. Inter-company transactions and balances between companies within the Group are eliminated in full in preparing the consolidated financial statements.

The subsidiaries are entities over which the Parent Company exercises significant control or over which the Parent Company has the power, either directly or indirectly, to govern the financial and operating policies generally accompanying shareholdings of more than 50% of the voting rights. The Parent Company obtains and exercises control through voting rights.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtained control of its subsidiaries, and continue to be consolidated until the date that such control ceases.

All intra-group balances, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intra-company transactions that are recognized in assets are eliminated in full.

At acquisition date, the assets and liabilities of the relevant subsidiaries acquired are measured at their fair values. The interest of minority shareholders is stated at the minority's proportional share to the fair values of the assets and liabilities recognized.

The results of operations of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

The Parent Company's direct and indirect subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Effective Percentage of Controlling Interest 2009	2008
Subsidiaries of Abacus Consolidated Resources and Holdings, Inc.:			
PRIDE	Investment house	**96.40**	96.40
KPI	Real estate	**100.00**	-
VRC	Real estate	**100.00**	-
AbaCoal	Coal exploration	**100.00**	100.00
AbaGold	Gold exploration	**100.00**	100.00
Subsidiaries of PRIDE:			
Tagapo Realty Company, Inc. (TRC)	Real estate	**96.40**	96.40
Omnicor Industrial Estate and Realty Center, Inc. (Omnicor)	Real estate	**96.40**	96.40
Countrywide Transcapital Development Holdings, Inc. (CTDHI - formerly Countrywide Transcapital Zone Holdings, Inc.)	Holdings	**60.10**	57.84
Philippine International Infrastructure Fund, Inc. (PIIFI)	Investment company	**100.00**	100.00
Total Mall Philippines, Inc.	Wholesaler/retailer	**96.40**	96.40
Subsidiaries of TRC:			
Ala-eh Knit, Inc.	Real estate	**96.40**	63.62
Assurance Realty Corporation	Real estate	**96.40**	96.40
Countrywide Leverage Holdings Corporation	Holdings	**96.40**	96.40
In-town Wholesale Marketing, Inc.	Wholesaler/retailer	**96.40**	96.40
System Organization, Inc.	Real estate	**96.40**	96.40
Subsidiaries of Omnicor:			
Montemayor Aggregates and Mining Corporation (MAMCor)	Mining and Exploration	**96.40**	96.40
Adroit Realty Corporation	Real estate	**96.40**	96.40
Allegiance Realty Corporation	Real estate	**96.40**	96.40
Asean Publishers, Inc.	Publisher	**96.40**	96.40
Export Affiliates for Service and Trade, Inc.	Importer/exporter	**96.40**	96.40
Fair Field Realty Estate Company, Inc.	Real estate	**96.40**	96.40
Geyser, Incorporated	Real estate	**-**	96.40
Logic Realty Corporation	Real estate	**96.40**	96.40
Sanctuary Transcendental Havens, Inc.	Non-stock corporation	**100.00**	89.00
Three Fold Realty Corporation	Real estate	**96.40**	96.40
Aerosonic Land, Inc.	Real estate	**100.00**	-
International Pilgrimage Shrine at Montemaria, Inc.	Non-stock corporation	**100.00**	-
Subsidiaries of MAMCor:			
Asean Traders and Exporters, Inc.	Importer/exporter	**96.40**	96.40
Batangas Stock Development Farms, Inc. (BSDFI)	Real estate	**96.40**	96.40
Channel Minerals & Exploration & Development Corporation	Mining and Exploration	**96.40**	96.40

Subsidiaries of BSDFI:			
Banalo Mining Corporation	Mining	**100.00**	-
Calatagan Aquafarms, Inc.	Aqua and fishery	**100.00**	-
Him Management and Associates, Inc.	Trading	**100.00**	-
Subsidiaries of KPI:			
Aerotropic Land, Inc.	Real Estate	**99.99**	-
Barit Resort & International Tour Corporation	Real Estate	**99.99**	-
Batangas Beef Business, Inc.	Manufacturing	**99.99**	-
Batangas Cement Park, Inc.	Warehousing of Cement, Aggregates, Limestones or their Derivatives	**99.99**	-
Candor Realty Corporation (CRC)	Real Estate	**99.99**	-
Epulare Properties, Inc.	Real Estate	**99.99**	-
Focus Real Estate Corporation	Real Estate	**99.99**	-
GMTM Management Company, Inc.	Management Company	**99.99**	-
Hedge Tropical Farmlands, Inc.	Real Estate	**99.99**	-
Hewdon Land, Inc.	Real Estate	**99.99**	-
Hillside Orchards & Parks, Inc.	Agriculture	**99.99**	-
JAP Aggregates Network, Inc.	Cement Production	**99.99**	-
Pasture View Real Properties, Inc.	Real Estate	**99.99**	-
Quilib Cattle Corporation (QCC)	Real Estate	**99.99**	-
Quilib Pasture Estates, Inc.	Real Estate	**99.99**	-
Quilib Quality Farms, Inc. (QQFI)	Agriculture	**99.99**	-
San Isidro Catholic Memorial Park and Development Corporation	Real Estate	**99.99**	-
Vinterra Realty Corporation	Real Estate	**99.99**	-
Subsidiaries of VRC:			
Omnilines Maritime Network, Inc.	Maritime Commerce	**99.99**	-
Hedge Inter Market Technologist, Inc.	Games Technology	**99.99**	-
D r M Development Corp.	Trading	**99.99**	-
Friendship Management Corporation	Management of Real Property	**99.99**	-
Haves Insurance Management and Liability Agency, Inc. (Haves)	Insurance Agent	**99.99**	-
All Lemery Assets Enterprises Holdings, Inc.	Real Estate	**99.99**	-
Far Pacific Manufacturing Corp.	Manufacturing	**99.99**	-
Munera Real Estate Company, Inc.	Real Estate	**99.99**	-
Certain Corporation	Construction	**99.99**	-
Manivest Development Corp.	Real Estate	**99.99**	-

A brief summary of the direct subsidiaries' nature of business and operations are as follows:

PRIDE

PRIDE is a domestic corporation which was registered with the SEC on September 26, 1979 as Manila Equities Corporation. It served as a stock brokerage firm for the first four years until the SEC granted PRIDE on March 2, 1983 a license to operate as an investment house. The license was confirmed by the then Central Bank of the Philippines, which is now known as Bangko Sentral ng Pilipinas. On July 26, 1995, it changed its name to Philippine Regional Investment Development Corporation. Presently, it has no quasi-banking license.

PRIDE is an institution by and through which comprehensive financial products and service lines shall be offered and provided to clients, either through its own operations or through affiliations, conformably with the provisions of existing laws. Its registered address is located at No. 28 N. Domingo Street, New Manila, Quezon City.

PRIDE was acquired by the Parent Company on January 18, 2006 from BSDHI in exchange for the Parent Company's share capital.

In 2009, PRIDE issued additional 1,500,000 shares amounting to P150 million. The Parent Company exercised its pre-emptive rights and subscribed to all the additional shares by partial payment, through offsetting of its advances to PRIDE which amounted to P64,352,238. The remaining balance of P85,647,762 is recorded as subscription payable.

PRIDE also declared its P50 million worth of shares as stock dividends to its shareholders in October 2009 out of which the Parent Company received 481,978 additional shares.

KPI

KPI is a domestic corporation registered with the SEC on April 8, 1996. Its primary purpose is to engage in the purchase, subdivision, sale, leasing and holding for capital appreciation real estates together with their appurtenances.

KPI was acquired by the Parent Company from BSDHI in December 2009 through a share-for-share swap. BSDHI assigned its entire interest in KPI, inclusive of equity and advances, in favor of the Parent Company in exchange for its new shares amounting to P341,425,940.

Its registered address is located at 2F SEDDCO I Building, Rada St., Legaspi Village, Makati City.

VRC

VRC is a domestic corporation registered with the SEC on October 10, 1996. Its primary purpose is to engage in the purchase, subdivision, sale, leasing and holding for capital appreciation real estates together with their appurtenances.

VRC was acquired by the Parent Company from BSDHI in December 2009 through a share-for-share swap. BSDHI assigned its entire interest in VRC, inclusive of equity and advances, in favor of the Parent Company in exchange for its new shares amounting to P313,103,880.

Its registered address is located at 2F SEDDCO I Building, Rada St., Legaspi Village, Makati City.

AbaCoal

AbaCoal is a domestic corporation registered with the SEC on November 9, 2007. Its primary purpose is to engage in the exploration, exploitation, operation, production and development of coal and its derivative products in the Philippines.

Its registered office address is located at No. 28 N. Domingo Street, New Manila, Quezon City.

In 2008, the Parent Company transferred its Coal Operating Contract (COC) with the Department of Energy to AbaCoal in exchange for shares amounting to P3,047,512.

The Parent Company also entered into a Heads of Agreeement with Lodestar Investment Holdings Corporation (Lodestar) and Music Semiconductors Corporation (Music) to transfer its outstanding shares in AbaCoal including its interest in a coal property located in Tandag, Surigao del Sur.

The parties also executed an Implementation of Heads of Agreement in December 2009 under which terms, the purchase price remains to be in the form of exchange of shares whereby P225 million worth of shares of AbaCoal at par value are swapped with 25 million shares of Lodestar valued at P9 per share or a total value of P225 million. As a consequence of this exchange of shares, Lodestar shall gain control of 75% of the over-all outstanding share capital of AbaCoal. Lodestar is also granted an option to acquire the remaining P75 million worth of shares of Abacoal (see Note 21).

As of report date, the registration of the shares in the names of the respective parties has not yet been completed.

AbaGold

AbaGold is a domestic corporation registered with the SEC on April 28, 2008. Its primary purpose is to engage in the exploration, exploitation, operation, production and development of gold and its derivative products in the Philippines. Its registered office address is located at No. 28 N. Domingo Street, New Manila, Quezon City.

Accounting for business combination

PFRS 3 provides that if the initial accounting for business combination can be determined only provisionally by the end of the period in 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 business combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date as follows:

1. the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date;
2. goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted;
3. comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting had been completed from the acquisition date.

The Parent Company acquired two new subsidiaries, KPI and VRC, from BSDHI during the year. The acquisition resulted to a goodwill of P149,381,978 (see Notes 8 and 28).

Minority interest

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Parent Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed on any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect to those interests, that meet the definition of a financial liability. Minority interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity shareholders of the Parent Company. Minority interests in the results of the Group are presented on the face of the consolidated statements of comprehensive income as an allocation of the net income for the year between minority interests and the equity shareholders of the Parent Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered in full.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Functional and presentation currency

The consolidated financial statements are prepared in Philippine peso, which is also the Group's functional currency.

New accounting standard, amendments, revisions and interpretations to existing standards

The accounting policies adopted in the preparation of the Group's financial statements have been consistently applied in all years presented except as stated below.

(a) New standards, amendments to published standards and interpretations to existing standards effective in 2009 and adopted by the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*

The amendment requires an entity to present all items of income and expense recognized in the period in a single statement of comprehensive income or in two statements - a separate income statement and a statement of comprehensive income and the re-naming of the balance sheet as statement of financial position. The statement of comprehensive income shall present profit or loss for the period, plus each component of income and expense not recognized in the statement of profit or loss (such as gains and losses on available-for-sale investments and translation differences) but excluding all changes in equity arising from transactions with owners (such as dividends and capital increases). Adoption of this amendment did not result to any material misstatement in the Group's prior years' financial statements.

- PFRS 8, *Operating Segments*

The standard requires a Management approach to reporting segment information. PFRS 8 will replace PAS 14, *Segment Reporting*, and is required to be adopted only by entities whose debt or equity instruments are publicly traded, or are in the process of filing with the Philippine SEC for purposes of issuing any class of instruments in a public market.

- Amendments to PFRS 7, *Improving Disclosures about Financial Instruments*

The application of this Amendment has resulted in changes to the disclosures provided in respect of financial instruments, primarily in financial risk disclosure of the notes to the financial statements including an analysis of financial asset and financial liability that is measured at fair value in the statement of financial position, into a three level fair value measurement hierarchy.

- Revised PFRS 3, *Business Combination*

The amendment of PFRS 3 requires results to changes in the recognition and measurement of acquisition costs and contingent consideration for an acquisition. It also provides guidelines on partial acquisitions, step acquisitions, and transactions with non-controlling interests.

- PAS 27 (Amendment), Consolidated and Separate Financial Statements

Amendments to PAS 27 include guidance on the partial disposal of subsidiaries, partial disposal of associates and joint ventures, and attribution of income to the non-controlling interest. With the new standard, if an investor loses significant influence over an associate, it derecognizes that associate and recognizes in profit or loss the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in the associate at the date significant influence is lost. Similar treatment applies when an investor losses joint control over a jointly controlled entity.

(b) Standards, interpretations and amendments to published standards effective in 2009, but which are not relevant to the Group.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after January 1, 2009, but are currently not relevant to the Group's operations:

Effective for annual periods beginning on or after January 1, 2009:

- Amendments on Cost of an Investment under PFRS 1 and PAS 27
- Revised PFRS 2, Share-based Payment – Vesting Condition and Cancellations
- Amendments on Puttable Financial Instruments under PAS 32 and PAS 1
- Improvements to PFRS 2008

Effective for annual periods on or after June 30, 2009:

- Amendments to IFRIC 9 and PAS 39 – Embedded Derivatives

Effective on or after July 1, 2009:

- IFRIC 18, Transfers of Assets from Customers
- PFRS 1 (Revised), First-time Adoption of Philippine Financial Reporting Standards
- Amendments to PAS 39: Eligible Hedged Items
- IFRIC 17, Distribution of Non-cash Assets to Owners

(c) Standards, amendments and interpretations to published standards not yet effective and not adopted early by the Group.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning after January 1, 2010 or later periods and which the Group has decided not to adopt early. These are:

- Amendments to PFRS 2: *Parent Company Cash-settled Share-based Payment Transactions* (effective for annual periods beginning on or after January 1, 2010)

The Amendments to PFRS 2 will clarify the scope of PFRS 2 when an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and regardless of whether the transaction is equity-settled or cash-settled. The Amendments will also clarify the interaction of PFRS 2 and other standards. In PFRS 2, a group has the same meaning as in PAS 27, Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries.

- Improvements to PFRS 2009 (effective for annual periods beginning on or after January 1, 2010)

Improvements to PFRS 2009 is a collection of amendments to PFRS issued by the FRSC which comprise the latest set of annual improvements. The FRSC uses the annual improvements project to make necessary, but non-urgent, amendments to PFRS that will not be included as part of another major project. The 2009 amendments reflects issues that were included in exposure drafts of; (a) proposed amendments to PFRS in October 2007; (b) proposed amendments to PFRS in August 2008; and (c) January 2009.

The Group has not yet adopted the following amendments and anticipates that these amendments will have no significant impact on its financial statements:

- PFRS 2, "Share-based Payment", "Scope of PFRS 2 and revised PFRS 3" – This confirms that, in addition to business combinations as defined by PFRS 3 (2008) Business Combinations, contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of PFRS 2.

- PFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" – This clarifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations.

- PAS 7, "Statement of Cash Flows" – This requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

- PAS 17, "Leases" – This eliminates inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of PAS 17.

- PAS 18, "Revenue" – This provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

- PAS 36, "Impairment of Assets" – This clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of PFRS 8 (i.e. before the aggregation of segments with similar economic characteristics permitted by PFRS 8.12).

- PAS 38, "Intangible Assets" – This clarifies the requirements under PFRS 3 (2008) regarding accounting for intangible assets acquired in a business combination. Additionally, this also clarifies the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

- PAS 39, "Financial Instruments: Recognition and Measurement" – This clarifies that prepayment option, the exercise price of which compensates the lender for loss of interest by reducing the economic loss from reinvestment risk, should be considered closely related to the host debt contract.

- "Cash flow hedge accounting", amendment that clarifies when to recognize gains or losses on hedging instruments as a reclassification adjustment in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

- "Hedging using internal contracts", amendment clarifies entities should no longer use hedge accounting for transactions between segments in their separate financial statements.

- IFRIC 9, "Reassessment of Embedded Derivatives" – This confirms that, in addition to business combinations as defined by PFRS 3 (2008), derivatives acquired in the formation of a joint venture and in common control transactions are within the scope of IFRIC 9.

- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" – This clarifies that hedging instruments may be held by any entity or entities within the group. This includes a foreign operation that itself is being hedged.

- Amendment to Philippine Interpretation IFRIC 14, *Prepayments of a Minimum Funding Requirement* (effective for annual periods beginning January 1, 2011)

  The amendments address the situations when an entity with minimum funding requirements makes a prepayment of contributions to cover those requirements. The amendments permit the benefit of such prepayment to be recognized as an asset.

- Philippine Interpretation IFRIC 15, *Agreement for Construction of Real Estate* (effective for annual periods beginning January 1, 2012)

  This Interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

- PFRS 9, *Financial Instruments* (effective for annual periods beginning January 1, 2013)

  PFRS 9 specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified in their entirety on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortized cost or fair value. The available-for-sale and held-to-maturity categories currently in IAS 39 are not included in PFRS 9.

Based on management's initial assessment, the adoption of the said standard, amendment and interpretations to existing standards will not have any material impact on the Group's financial statements.

The following accounting policies have been consistently applied by the Group and are consistent with those used in previous years:

2.2 Financial instruments

Initial recognition

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done at trade date, which is the date on which the Group commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value plus transaction costs except for those designated at fair value through profit or loss (FVPL).

Classification of financial instruments

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

Determination of fair value

The fair value of financial instruments traded in active markets is based on their quoted market price or dealer price quotation (bid price for long positions and ask price for short positions). When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

If the financial instruments are not listed in an active market, the fair value is determined using appropriate valuation techniques, which include recent arm's length market transactions, net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Fair value hierarchy

The Group categorizes its financial asset and financial liability based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy has the following levels: (a) Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities accessible by the Group; (b) Level 2 – inputs that are observable in the marketplace other than those classified as Level 1; and (c) Level 3 – inputs that are unobservable in the marketplace and significant to the valuation.

Financial assets

Cash and cash equivalents

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through amortization process. Unearned discount is recognized as income over the life of the loan using the effective interest method.

The Group's trade and other receivables and advances to related parties are included in this category (see Notes 6 and 13).

Financial liabilities

Other financial liabilities

This classification pertains to financial liabilities that are not held for trading or not designated as FVPL upon inception of the liability. Included in this category are liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

The Group's accounts payable and accrued expenses, advances from related parties, deposit for the sale of investment in AbaCoal, advances from joint venture, loans payable and rental deposit payable are classified under this category (see Notes 13, 14, 15, 21 and 23).

Derecognition of financial instruments

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when: a) the rights to receive cash flows from the asset have expired; b) 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 c) the Group has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset 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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Impairment of financial assets

Assessment of impairment

The Group assesses at each financial reporting date whether a financial asset or group of financial assets is impaired. It assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The determination of impairment losses for financial assets is inherently subjective because it requires material estimates, including the amount and timing of expected recoverable future cash flows. These estimates may change significantly from time to time, depending on available information.

Evidence of impairment

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults in the Group.

Impairment of assets carried at amortized cost

If there is objective evidence that an impairment loss has been incurred on an asset carried at amortized cost such as receivables carried at amortized cost, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of loss shall be recognized in the consolidated statements of comprehensive income.

Impairment of assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an asset carried at cost such as an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or of a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Reversal of impairment loss

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its cost or amortized cost at the reversal date.

Classification of financial instruments between debt and equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as an expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial assets to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, when the related assets and liabilities are presented gross in the consolidated statements of financial position.

2.3 Investments in associates

An associate is an entity over which the Group has significant influence but has no control and which is neither a subsidiary nor a joint venture.

Investment in an associate is accounted for by the equity method of accounting. Under this method, the investment is initially recognized at cost and adjusted thereafter by post-acquisition changes in the Group’s share in the net assets of the associate and any impairment losses. The Group’s share of its associate’s post-acquisition profits or losses is recognized in the consolidated statements of comprehensive income. Share in post-acquisition change in the associate’s net asset not recognized in the associate’s statement of comprehensive income is directly recognized in the Group’s equity. Dividends received from the associates are deducted from the carrying amount of the investment.

The Group discontinues applying the equity method when their investments in associates are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations to the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting date of the associate 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.

2.4 Joint venture transactions

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity, which is subject to joint control, and none of the participating parties has unilateral control over the economic activity.

Assets that the Group controls and liabilities that it incurs in relation to jointly controlled operations are recognized in the Group's consolidated statements of financial position on an accrual basis and classified according to the nature of the item. The Group's share of income that it earns from jointly controlled operations, together with the expenses that it incurs, are included in the Group's consolidated statements of comprehensive income when it is probable that economic benefits associated with the transaction will flow to/from the Group.

2.5 Business combination and goodwill

Business acquisitions are accounted for using the purchase method of accounting. The cost of acquisition is measured as the fair value of the asset given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any minority interest.

Goodwill acquired in business combination is initially measured at cost as the excess of cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Negative goodwill, which is the excess of the Group's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over cost, is charged directly to income.

Transfers of assets between commonly controlled entities are accounted for under historical cost accounting.

2.6 Investment property

Initially, investment property is measured at cost including transaction costs. The cost of investment property comprises its purchase price and any directly attributable expenditure.

Subsequent expenditures are recognized as an asset when the expenditures improve the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure is recognized as an expense when incurred.

Subsequent to initial recognition, investment property is stated at fair value, which reflects the market conditions at the financial reporting date. Any gain or loss resulting from either change in the fair value is immediately recognized in the consolidated statement of comprehensive income in the year in which it arises.

Investment property is derecognized when it has either been disposed or when they are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

2.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The initial cost of property and equipment is comprised of the purchase price and costs directly attributable to bringing the assets to their intended use.

Subsequent expenditures incurred after the assets have been put into operation are capitalized as additional cost of the assets when the resulting future economic benefit exceeds the originally assessed standard of performance of the asset. All other subsequent expenditures incurred such as repairs and maintenance are recognized in the consolidated statement of comprehensive income in the period the costs are incurred.

When assets are sold or retired, their cost, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts and any resulting gain or loss is included in the consolidated statement of comprehensive income of such period.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the terms of the lease or estimated useful lives of improvements. The estimated useful lives of the assets and the improvements are as follows:

Building and improvements	5 years
Machinery and other equipment	3 to 5 years

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

2.8 Construction-in-progress

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are transferred to the investment property account or reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the properties for their intended use are completed and the properties are available for service.

2.9 Deferred exploration costs

Deferred exploration costs are stated at cost less impairment losses, and include deferred exploration costs and other expenses incurred prior to the start of commercial operations, net of incidental income.

Deferred exploration costs are accumulated separately for each area of interest. These include acquisition costs, direct exploration and development costs and an appropriate portion of related overhead expenditures, and exclude general overhead or administrative expenditures not specifically identified with exploration activities.

Deferred exploration costs are carried in the books only if the costs related to an area of interest for which the rights of tenure are current and such are expected to be recouped through successful development and exploration or from sale of the area or exploration and evaluation activities in the area as of financial reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing. Exploration costs, which do not satisfy the above criteria, are recognized in the consolidated statements of comprehensive income.

Revenues earned in connection with the exploration activities in an area of interest prior to the start of commercial operations are offset against the expenditures of such area of interest.

The carrying value of each producing area of interest is reviewed regularly and, to the extent to which this amount exceeds its recoverable amount (based on the higher of the net present value of estimated future net cash flows and current realizable value), an allowance for impairment will be provided in the year in which it is determined.

When further development expenditures are incurred on producing area of interest, such expenditures are capitalized as part of the costs of such area of interest only when substantial economic benefits are thereby established; otherwise, such expenditures are charged to cost of production.

2.10 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each financial reporting date to determine whether there is any indication of impairment or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the Group makes a formal estimate of the asset's recoverable amount.

The recoverable amount is the higher of an asset's or its cash generating unit's fair value less costs to sell and its value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. 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. For an asset that does not generate cash flows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.11 Provisions and contingencies

Provisions are recognized when there is a present legal or constructive obligation 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.

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

2.12 Equity

Share capital is determined using the nominal value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the consolidated statements of comprehensive income.

Shares held by subsidiaries are recognized at cost. These are shares of the Parent Company that are owned by its subsidiaries.

Treasury shares are recognized at cost.

2.13 Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership of goods has been transferred to the buyer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognized as the interest accrues on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Share in net earnings and losses of associates

The proportionate share in net earnings and losses of the associates is recognized as soon as the basis for the share, which is the audited financial statements of the associates for the current year, becomes available.

Dividend income

Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Room revenue

Room revenue is recognized based on established room rates and is billed upon check-out of hotel occupants.

Food and beverage

Food and beverage revenue is recognized when orders are served.

2.14 Leases

Group as lessor

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease receipts are recognized as income in the consolidated statements of comprehensive income on straight-line basis over the lease term.

Group as lessee

Leases where substantially all the risks and benefits of ownership of the asset do not pass on to the lessee are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statements of comprehensive income on straight-line basis over the lease term.

2.15 Foreign exchange transactions

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange at the financial reporting date. Exchange gains and losses arising from the foreign currency denominated transactions and translations are credited or charged to operations. Non-monetary assets and liabilities are translated at the closing rate if carried at fair value or at historical rate if carried at cost. Any changes in the carrying amount of non-monetary items are reported in profit or loss or in equity to the extent that the gain or loss is directly recognized in equity; otherwise, the exchange difference is recognized in the consolidated statements of comprehensive income.

2.16 Retirement benefits cost

Republic Act No. (RA) 7641 (New Retirement Law) requires the Group to provide minimum retirement benefits to qualified retiring employees. In compliance with the law, the Company provides for estimated retirement benefits to all of its qualified regular and permanent employees.

2.17 Income tax

Current income tax

Current income tax assets and liabilities for the current and the 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 substantively enacted at the financial reporting date.

Deferred income tax

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

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each financial reporting 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 asset to be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

2.18 Earnings per share (EPS)

Basic EPS is calculated by dividing the net income or loss for the period by the weighted average number of shares outstanding during the period, net of shares held by the subsidiaries, after giving retroactive effect to any stock dividend declared during the year.

2.19 Segment reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

2.20 Related parties

Parties are considered 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.

Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly of indirectly, including any director of that entity.

2.21 Events after financial reporting date

Post-year-end events up to the date of the auditors' report that provide additional information about the Group's position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

NOTE 3 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with PFRS requires the Group's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgments

Leases

The Group has entered into lease agreements as lessee. The Group has determined that the lessor retains all significant risks and rewards of ownership of these properties under operating lease agreements.

The Group has also entered into lease agreements as lessor where substantially all the risks and benefits of ownership of the asset do not pass on to the lessee under operating lease agreements.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency is determined to be the Philippine peso. It is the currency that mainly influences the Group's operations.

3.2 Estimates

Estimation of useful lives of property and equipment

The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The carrying value of property and equipment, net of accumulated depreciation is presented in Note 9.

Estimation of mine rehabilitation and decommissioning costs

The Group recognizes mine rehabilitation and decommissioning liability as soon as legal liability to it has been established. The provision recognized represents the best estimate of the expenditures required to decommission the related equipment at the end of its useful life. Such cost estimates are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being recognized under the "Provision for Mine Rehabilitation and Decommissioning" account.

The Group is liable to provide for mine rehabilitation and decommissioning costs in compliance with the terms of the Mineral Production Sharing Agreement (MPSA). However, according to the agreement, recognition shall commence on the development, utilization and processing of mines, which the license is not yet into as of the moment.

Estimation of impairment of non-financial assets

The Group assesses at each financial reporting date whether there is an indication that the carrying amount of all non-financial assets may be impaired or that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Income taxes

The Group is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Group's belief that its tax return positions are supportable, the Group believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

NOTE 4 – FINANCIAL RISK MANAGEMENT, POLICIES AND OBJECTIVES

The Group is exposed to variety of financial risks, which result from its operating, financing and investing activities. The Group's principal financial instruments comprise of cash and cash equivalents, loans receivable, deposit liabilities, loans and bills payable and advances to and from related parties. The main purpose of these financial instruments is to earn income and raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and accounts payables and accrued expenses, which arise directly from operations.

The Group's financial risk management policies and guidelines cover credit risk, interest rate risk, liquidity risk and market risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's financial position and results of operations. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group is exposed to credit risk through its trade and other receivables, loans receivable and advances to related parties. The Group, from time to time, grants advances to related parties. However, it monitors the balances of advances and collects them promptly.

The details of the Group's maximum exposure to credit risk as of December 31, 2009 and 2008 are as follows:

	2009	2008
Trade and other receivables	**P12,217,593**	P13,960,760
Advances to related parties	**131,300,482**	109,798,635
	P143,518,075	P123,759,395

The details of the Group's aging analysis of financial assets as of December 31, 2009 and 2008 are as follows:

December 31, 2009	Total	Neither past due nor impaired	Past due but not impaired ≤ 30 days	31 – 90 Days	91 – 180 days	181 – 360 days	1 – 3 years	< 3 years but not impaired	Impaired
Advances to related parties	P131,300,482	P131,300,482	P-	P-	P-	P-	P-	P-	P-
Trade and other receivables	12,217,593	10,449,280	145,351	-	1,226,667	96,295	300,000	-	-
	P143,518,075	**P141,749,762**	**P145,351**	**P-**	**P1,226,667**	**P96,295**	**P300,000**	**P-**	**P-**
December 31, 2008									
Advances to related parties	P109,798,635	P109,798,635	P-	P-	P-	P-	P-	P-	P-
Trade and other receivables	13,960,760	10,446,279	233,607	2,855,052	125,822	-	300,000	-	-
	P123,759,395	P120,244,914	P233,607	P2,855,052	P125,822	P-	P300,000	P-	P-

Liquidity Risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group is mainly exposed to liquidity risk through its maturing liabilities. The Group has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The maturity analysis of the Group's financial liabilities as of December 31, 2009 and 2008 are as follows:

December 31, 2009	**Total**	**On demand up to one month**	**1 to 3 months**	**3 months to one year**	**More than 1 year to 5 years**	**More than 5 Years**
Accounts payable and accrued expenses	P21,640,496	P7,660,607	P-	P12,208,432	P1,771,457	P-
Deposit for the sale of investment in AbaCoal	30,000,000	-	-	30,000,000	-	-
Advances from joint venture	9,500,000	-	-	-	9,500,000	-
Loans payable	70,089,787	2,689,787	-	-	67,400,000	-
	P131,230,283	**P10,350,394**	**P-**	**P42,208,432**	**P78,671,457**	**P-**
December 31, 2008						
Accounts payable and accrued expenses	P22,080,712	P10,668,946	P399,960	P11,011,806	P-	P-
Advances from related parties	686,492	686,492	-	-	-	-
Deposit for the sale of investment in AbaCoal	15,000,000	-	-	15,000,000	-	-
Advances from joint venture	9,500,000	-	-	-	9,500,000	-
Loans payable	41,342,400	-	-	-	41,342,400	-
	P88,609,604	P11,355,438	P399,960	P26,011,806	P50,842,400	P-

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of this account as of December 31, 2009 and 2008 are as follows:

	2009	2008
Cash on hand	**P340,591**	P66,500
Cash in banks	**13,690,516**	47,943,154
	P14,031,107	P48,009,654

The details of the Group's foreign-currency denominated deposits are as follows:

	2009	2008
Cash in bank	**US$3,437**	US$3,428
The peso equivalent are as follows:		
Cash in bank	**P158,789**	P162,899

The US dollar-denominated cash in bank was translated at P46.20 and P47.52 to US$1 at December 31, 2009 and 2008, respectively.

Cash in banks earns interest based on the banks' daily average deposit rates. Cash in banks includes short-term placements, which earn interest at annual rates of 4.375% to 6.500% in 2008.

NOTE 6 - TRADE AND OTHER RECEIVABLES

The details of this account as of December 31, 2009 and 2008 are as follows:

	2009	2008
Trade	**P876,758**	P893,622
Advances to officers and employees	**471,520**	3,411,399
Others	**10,869,315**	9,655,739
	P12,217,593	P13,960,760

Other receivables mainly pertain to funds advanced to third parties for the purchase of shares of stock of the Parent Company for their account.

After careful evaluation by the Group's management, no indication of impairment on the account was noted.

NOTE 7 - INVESTMENTS IN ASSOCIATES

These pertain to the investments in Pacific Online Systems Corporation (POSC), Abacus Global Technovisions, Inc. (AbaGT) and Pride Star Development Bank, Inc. (PSDBI - formerly Rural Bank of Batangas, Inc.), which are accounted for using the equity method. The details of the Group's ownership in these entities are as follows:

		Percentage of Ownership			
		2009		2008	
	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
POSC	Gaming	**18.97%**	**0.03%**	18.17%	0.03%
AbaGT	Holding	**9.64%**	**3.59%**	-	3.59%
PSDBI	Banking	**-**	**40.00%**	-	38.56%

POSC, AbaGT and PSDBI are domestic corporations which are involved in gaming, real estate and bank industries, respectively.

The Group accounts for its investment in POSC and AbaGT as an associate although the Group holds less than 20% of the issued share capital, as the Group has the ability to exercise significant influence, due to the Group's voting power, both through its equity holding and its representation in the key decision-making committees. The Group is represented in POSC and AbaGT through the Parent Company which holds three out of nine seats in both POSC and AbaGT's BODs.

The details of the account balance are as follows:

	2009	2008
POSC, listed in the PSE	**P520,454,982**	P490,540,511
AbaGT, not listed	**42,836,457**	43,402,827
PSDBI, not listed	**20,633,048**	18,729,016
	P583,924,487	P552,672,354

POSC is registered with the SEC and is engaged in the development, design and management of online computer systems, terminals and software for the gaming industry. POSC's shares are traded in the PSE. Its registered office address is located at the 22nd Floor, West Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City.

The fair value of POSC's shares as of December 31, 2009 and 2008 are P16.25 and P7.50 per share, respectively.

AbaGT is registered with the SEC on June 21, 1993 and is a majority-owned subsidiary of BSDHI. In July 2009, AbaGT amended its primary purpose, to purchase, subscribe for, or otherwise acquire, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or dispose of real and/or personal properties of every kind and description, including shares of stock, voting trust certificates for shares of capital stock and other securities, contracts, or obligations of any obligations corporation or association, domestic or foreign, and to pay therefore, in whole or in part, in cash or in property or by exchanging stocks, bonds of other corporation and in general to do every act and thing covered by the denomination "holding company" without engaging as stockbroker, dealer in securities or investment company. Its registered business address is located at 28 N. Domingo St. New Manila, Quezon City.

AbaGT has 100% shareholdings in four subsidiaries: Batangan Plaza, Inc. (BPI), the Alpha Asia Hotel and Resorts, Inc. (Alpha Hotel), Simlong Realty Corporation (SRC) and Better Resources, Inc. (BRI).

In 2007, when AbaGT was still recognized as a subsidiary of the Parent Company, the BOD decided to sell 13,333,333 AbaGT shares worth P13,333,333 to BSDHI. The Parent Company also recognized dividend income of P306 million from AbaGT during that year.

In January 2008, the Parent Company's investment in AbaGT amounting to P199,470,100 was declared by the BOD as property dividends to shareholders of record as of March 11, 2008. This reduced its ownership in AbaGT from 66.67% to 9.64%. Thus, the investment had been accounted for as investment in associate starting 2008.

On December 22, 2009, the Board resolved to amend AbaGT's primary purpose (Article Second of the Articles of Incorporation) from holding company to owning developing, operating and managing hotels, condotels and other establishments that provide lodging, food, refreshments and allied services to tourists, travelers and other transients and to include real estate as one of its secondary purpose.

It was also resolved, subject to the approval of the stockholders and the SEC, to approve the merger with Alpha Hotel and BPI with AbaGT as the surviving entity. AbaGT is also currently in the process of listing its shares in the PSE.

PSDBI is a corporation organized and domiciled in the Philippines and has started operations on August 29, 1956. On January 21, 2006, the term of existence of the corporation is extended for another fifty (50) years from and after the date of expiry on March 2, 2006.

PSDBI is registered with SEC and Bangko Sentral ng Pilipinas primarily to engage in accumulating deposits and extending rural credits to small farmers and tenants and deserving rural industries or enterprises.

In 2008, PRIDE's investment in PSDBI's shares was diluted to 40% due to lesser amount of subscription in RBBI's additional authorized share capital of P90,000,000 from P10,000,000 to P100,000,000 or from 100,000 shares to 1,000,000 shares at P10 par value per share.

In 2009, PSDBI was converted from a rural bank into a private development bank to upgrade its purpose of giving further services in the countryside and economic development in the province of Batangas.

The movements in investments in associates are as follows:

	2009	2008
Acquisition cost:		
Balance, January 1	**P539,919,570**	P474,043,466
Reclassification of subsidiaries due to deconsolidation	**-**	63,477,450
Disposals during the year	**(1,924,580)**	-
Acquisitions during the year	**-**	2,398,654
Balance, December 31	**537,994,990**	539,919,570
Accumulated equity in net earnings:		
Balance, January 1	**12,752,784**	6,507,138
Equity in net earnings, net	**51,389,136**	24,447,102
Dividends received	**(18,212,423)**	(18,201,456)
Balance, December 31	**45,929,497**	12,752,784
	P583,924,487	P552,672,354

Before the Parent Company acquired its interest in POSC, AbaGT owned 37% shareholdings in POSC until it disposed all of its shareholdings in 2007 following POSC's Initial Public Offering.

AbaGT earned a net gain of P513,628,203 from the sale of its investment in POSC shown as follows:

	2007
Cash proceeds	P584,154,804
Less carrying value of paid-up investments	(70,526,601)
	P513,628,203

The details of the associate's carrying value prior to the sale are as follows:

	2007 Prior to Sale
At equity:	
Acquisition cost:	
Paid up investment	P90,579,286
Equity in net earnings (losses):	
Beginning balance	(47,011,436)
Share in net earnings for the period (representing three quarters)	39,620,908
Ending balance	(7,390,528)
Advances	(12,662,157)
	P70,526,601

On November 19, 2007, SEC certified the valuation of advances as consideration for the issuance of a total of 8,048,000 POSC shares with a par value of P1 per share at the subscription price of P124,744,000. AbaGT's subscription, which was included in the amount certified by SEC, amounted to P41,268,866 representing 2,971,568 shares, which is included in the acquisition cost of the investment.

In 2009, the Parent Company assigned 222,000 POSC shares, with a total cost of P1,924,580, to a third party for P1,953,591 resulting to a gain of P29,011.

The summary of the Group's share in net earnings and losses in POSC, RBBI and AbaGT are as follows:

	2009	2008
Share in net earnings – POSC	**P50,051,474**	P25,792,709
Share in net earnings – RBBI	**1,904,032**	229,016
Share in net losses – AbaGT	**(566,370)**	(1,574,623)
	P51,389,136	P24,447,102

The details of the associates' audited assets, liabilities, revenues and net income as of and for the year ended December 31, 2009 and 2008 are as follows:

	POSC		**AbaGT**		**RBBI**	
	2009	2008	**2009**	2008	**2009**	2008
Assets	**P895,572,344**	P779,829,486	**P421,765,708**	P418,737,037	**P119,666,358**	P127,226,689
Liabilities	**372,067,994**	379,621,990	**81,628,490**	80,551,660	**59,974,420**	72,274,642
Revenue	**962,103,101**	809,649,925	**96,036**	190,284	**8,604,567**	6,417,359
Net Income (Loss)	**263,441,736**	139,422,147	**(4,278,648)**	(7,935,618)	**4,760,082**	572,539

NOTE 8 - GOODWILL

The details of the account as of December 31, 2009 and 2008 are as follows:

	2009	2008
Balance, January 1	**P252,559,554**	P355,700,166
Acquisition of KPI	**71,398,932**	-
Acquisition of VRC	**77,983,046**	-
Derecognized as a result of AbaGT's deconsolidation	**-**	(103,140,612)
Balance, December 31	**P401,941,532**	P252,559,554

The Parent Company acquired KPI and VRC from BSDHI in December 2009 through a swap-for-share agreement resulting to a positive goodwill of P149,381,978 for the excess of cost over the net assets of KPI and VRC.

After careful evaluation by the Group's Management, no indication of impairment on the Group's goodwill account has been assessed.

NOTE 9 - INVESTMENT PROPERTY

The details of the account as of December 31, 2009 and 2008 are as follows:

	2009	2008
Balance, January 1	**P1,719,570,370**	P1,111,138,948
Net gains from fair value adjustments	**645,109,143**	726,078,600
Additions from business acquisition of KPI and VRC	**656,190,320**	-
Adjustments to fair value	**(662,359,143)**	-
Fair value of investment property of deconsolidated subsidiaries	**(39,707,350)**	(117,647,178)
Balance, December 31	**P2,318,803,340**	P1,719,570,370

The total cost and fair value of investment property as of December 31, 2009 and 2008 are as follows:

	2009	2008
Investment property, at cost	**P406,818,835**	P244,618,573
Accumulated net gains from fair value adjustments	**1,911,984,505**	1,474,951,797
Investment property, at fair value	**P2,318,803,340**	P1,719,570,370

The fair values of the investment property were determined by independent, certified professional firms of appraisers and were arrived at based on sales and listings of comparable properties registered within the immediate vicinity of the properties.

Corresponding deferred tax liability of P563,619,257 and P436,448,626 as of December 31, 2009 and 2008, respectively, had been recognized on the revaluation increment on investment property.

In 2007, CTDHI sold its sole investment property for P64,350,000, from which the Group recognized a loss of P8,130,000 shown under Other Income (Loss) in the Group's consolidated statements of comprehensive income.

In 2008, two of the Group's real estate properties located in Batangas were revalued at P818,540,000 by Cuervo Appraisers, Inc., a firm of independent certified professional appraisers. The unrealized gain on revaluation recognized in the consolidated statements of comprehensive income amounts to P726,078,600.

In 2009, the acquisition of KPI and VRC caused an increase in the total amount of properties of the Group by P656,190,320. The gain on fair value adjustments amounting to P645,109,143 came from the properties which were transferred from Omnicor and BSDFI to their respective newly-incorporated subsidiaries.

The extent to which the fair value of the investment property is based on the valuation by an independent appraiser is P2,313,983,340 and P1,714,750,370 as of December 31, 2009 and 2008, respectively.

Rental income from lease of investment property recognized in the consolidated statements of comprehensive income amounted to P622,609, P235,847 and P1,938,942 for the years ended December 31, 2009, 2008 and 2007, respectively. Expenses incurred on this property amounted to P213,616, P306,125 and P502,076, respectively.

NOTE 10 - PROPERTY AND EQUIPMENT, NET

The details of the account as of December 31, 2009 and 2008 are as follows:

	December 31, 2009			
	Land	**Buildings and Improvements**	**Machinery and Other Equipment**	**Total**
Cost				
At January 1	P293,541	P7,228,000	P2,870,031	P10,391,572
Additions	-	-	16,427,200	16,427,200
Disposals			(100,984)	(100,984)
At December 31	293,541	7,228,000	19,196,247	26,717,788
Accumulated Depreciation				
At January 1	-	6,976,926	2,283,095	9,260,021
Provision for the year	-	6,743	404,582	411,325
Disposals	-	-	(78,163)	(78,163)
At December 31	-	6,983,669	2,609,514	9,593,183
Net Book Value				
At December 31	**P293,541**	**P51,329**	**P16,786,735**	**P17,131,605**

	December 31, 2008			
Cost				
At January 1	P84,015,541	P187,768,308	P21,905,427	P293,689,276
Additions	-	-	274,972	274,972
Derecognition	-	-	(179,623)	(179,623)
Effect of deconsolidation	(83,722,000)	(180,540,308)	(19,130,745)	(283,393,053)
At December 31	293,541	7,228,000	2,870,031	10,391,572
Accumulated Depreciation				
At January 1	-	59,106,559	16,143,224	75,249,783
Provision for the year	-	98,651	330,086	428,737
Effect of deconsolidation	-	(52,228,284)	(14,190,215)	(66,418,499)
At December 31	-	6,976,926	2,283,095	9,260,021
Net Book Value				
At December 31	P293,541	P251,074	P586,936	P1,131,551

The Management assesses the condition of its property and equipment annually. At December 31, 2009, management has not recognized any condition of impairment and based on its assessment, has not recognized any impairment loss.

NOTE 11 - CONSTRUCTION-IN-PROGRESS

This account pertains to the cost of the on-going construction of the Group's Cloisters project located in Batangas which is projected to be finished in 2010. Total accumulated costs of construction, which is composed of direct labor, materials and overhead, as of December 31, 2009 and 2008 amounted to P25,058,401 and P11,714,502, respectively.

NOTE 12 - DEFERRED EXPLORATION COSTS

This account represents the Group's accumulated intangible costs related to its Coal Operating Contract (COC) and gold mining claims in Surigao del Sur and Agusan del Sur, respectively (see Notes 21 and 22).

The recovery of deferred exploration costs is dependent upon the success of future exploration and development activities and events, the outcome of which cannot be presently determined.

In September 2008, the Parent Company transferred its COC to AbaCoal in exchange for AbaCoal's 304,751,200 new shares at its par value of P0.01 per share equivalent to P3,047,512.

In 2008, the Parent Company also entered into a Heads of Agreeement with Lodestar Investment Holdings Corporation (Lodestar) and MUSX Corporation (MUSX – formerly Music Semiconductors Corporation) to transfer its outstanding shares in AbaCoal including its interest in a coal property located in Tandag, Surigao del Sur (see Note 21).

As of December 31, 2009 and 2008, the accumulated costs incurred for the COC and gold mining claims amounted to P7,113,532.

NOTE 13 - RELATED PARTY TRANSACTIONS

Related party transactions consist of non-interest bearing advances to and from related parties, for working capital requirements. These advances are due and collectible/payable upon demand.

On December 29, 2009, BSDHI and HIMGI executed a deed of pledge to secure their indebtedness to the Parent Company amounting to P131,300,482. Through the deed of pledge, BSDHI assigned the following securities in favor of the Parent Company: 3,990,000 ATN Holdings, Inc. (ATN) shares, 17,290,000 ATN "B" shares, 1,330,000 Lodestar shares, and 33,340,000 MUSX shares; HIMGI assigned the following securities in favor of the Parent Company: 667,000 Lodestar shares and 16,660,000 MUSX shares. The total fair value of these shares based on quoted market prices as of December 31, 2009 is P239,462,500.

The details of advances to related parties are as follows:

	Nature of Relationship	2009	2008
AbaGT	Associate	**P56,800,255**	P55,990,899
BSDHI	Parent	**52,518,814**	41,874,402
Hedge Integrated Management Group, Inc. (HIMGI)	Under common directorship	**13,139,060**	-
Geyser, Inc. (Geyser)	Under common directorship	**4,980,928**	-
Click Communications, Inc. (Click)	Under common directorship	**3,861,425**	3,557,000
Harborworks International Mgt. Company, Inc. (Harbor)	Under common directorship	**-**	8,340,050
KPI	Subsidiary	**-**	2,295
QQFI	Indirect Subsidiary	**-**	33,119
QCC	Indirect Subsidiary	**-**	870
		P131,300,482	P109,798,635

The advances to KPI, QQFI and QCC were eliminated during the consolidation process because they were acquired and became subsidiaries of the Parent Company during the year.

The details of the advances from related parties as of December 31, 2009 and 2008 are as follows:

	Nature of Relationship	2009	2008
BSDHI	Parent	**P-**	P87,294
Mojica Realty Corporation (Mojica)	Under common directorship	**-**	519,139
CRC	Indirect Subsidiary	**-**	52,904
QQFI	Indirect Subsidiary	**-**	27,155
		P-	P686,492

CRC and QQFI are now indirect subsidiaries of the Parent Company, thus, the advances from them have been eliminated during the consolidation process. Advances from Mojica is a liability of Geyser, which is an indirect subsidiary of the Parent Company in 2008. However, Geyser was deconsolidated in 2009, thus, the liability to Mojica had also been deconsolidated.

The summary of the Group's transactions with related parties in the normal course of business as of December 31, 2009 and 2008 are as follows:

a. Advances granted to related parties amounted to P21,501,847 and P53,370,878 in 2009 and 2008, respectively;
b. On July 4, 2008, the Parent Company sold all of its investment in HIMALA to BSDHI from which it recognized a P1 gain; and
c. The details of the Group's key management compensation recorded under professional and other services and compensation and benefits follows:

	2009	2008
Short-term benefits	**P6,952,613**	P11,713,735
Post-employment benefits	**12,078,321**	-
Total	**P19,030,934**	P11,713,735

The decrease in the short-term benefits and increase in the post-employment benefits is due to retirement of directors and officers of the Group during the year.

NOTE 14 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The details of the account are as follows:

	2009	2008
Trade	**P11,354,815**	P11,105,041
Accruals	**7,660,607**	9,699,694
Others	**2,625,074**	1,275,977
	P21,640,496	P22,080,712

Trade payables, accruals and other liabilities are payable within one year after the financial reporting date.

Accruals is mainly composed of interest expense on loans of CTDHI (see Note 15) while Others include temporary liabilities for unreleased checks as of financial reporting date.

NOTE 15 - LOANS PAYABLE

The details of the account are as follows:

	2009	2008
Omnicor loan	**P47,400,000**	P-
ACRHI loan	**20,000,000**	-
CTDHI loan	**2,689,787**	41,342,400
	P70,089,787	P41,342,400

Omnicor Loan
In October 2009, a loan from the Philippine Veterans Bank was jointly obtained by Omnicor and ACRHI amounting to P47.4 million for working capital purposes with an annual interest rate of P12.63% which will mature in October 2014. The amount of the loan is wholly recorded under Omnicor's books.

The loan is secured by two parcels of land owned by Omnicor with a total book value of P163,060,800 and a deed of assignment on the proceeds to be generated from the saleable units on the Cloisters Project.

Interest expense incurred for this loan for the year ended December 31, 2009 amounted to P2,901,980.

ACRHI Loan
This represents the loan availed from the Bank of Commerce on April 8, 2009 amounting to P20 million maturing on April 2, 2010 and bearing interest rate of 15% per annum, which is subject to change every month depending on the prevailing bank rates.

The loan is secured by various parcels of land with a total book value of P41,063,462 owned by Omnicor and Haves, which are indirect subsidiaries of the Parent Company.

In April 2009, subsequent to the financial reporting date, the ACRHI extended the term of the loan until April 2011 still bearing an interest rate of 15% per annum.

Interest expense incurred for this loan for the year ended December 31, 2009 amounted to P2,016,667.

CTDHI Loan
In July 2004, CTDHI obtained a 5% convertible loan (the 'loan') with a principal amount of US$870,000 from Agrodynamics Farms (Texas), Inc. (AFI), a company incorporated under the laws of the State of Texas, United States of America (US), which matured on July 2006. The loan is convertible up to July 2006 (or on the occurrence of an initial public offering, whichever comes earlier) into the common stock of CTDHI with a par value of P1. Other significant terms of the loan are as follows:

a. all payments of principal and interest in respect of the loan shall be made in US dollars;
b. CTDHI may prepay in whole or in part the principal amount;
c. any of the following may constitute default:
    i. failure of CTDHI to pay the principal, interest or other amount as stated in the loan or any other loans CTDHI made;
    ii. failure of CTDHI to perform or observe any other term of the loan; and
    iii. any order or judgment against CTDHI decreeing its dissolution or split-up.
d. at any time after the conversion date and from time to time thereafter prior to the payment of the loan in full, AFI may convert the outstanding principal amount of the loan into such number of common shares equivalent to the amount designated by AFI and converted into Philippine peso at the US Dollar to Philippine peso exchange rate then in effect. Common shares are pegged at P1 par value; and

e. as soon as possible after the conversion has been effected, the CTDHI shall deliver to AFI a certificate or certificates representing the number of common shares issuable by reason of such name or names and such denominations as AFI has specified.

After July 2006, the option of AFI to convert this debt into shares of CTDHI has already elapsed. During the year, CTDHI paid P38,652,613 of the principal amount to AFI. Accrued interest expense which includes prior year interest expense and penalties amounted to P7,143,676 (see Note 14).

As of December 31, 2009 and 2008, the Philippine peso value of the loan amounted to P2,689,787 and P41,342,400, respectively.

NOTE 16 - EXPENSES

The compensation and benefits includes the salaries and wages of employees of the Group as well as their 13th month pay and monthly contributions to SSS, PhilHealth and Pag-ibig Fund. The balance for the year ended December 31, 2009 includes retirement benefits paid to directors and officers of the Group who retired during the year which amounted to P12,078,321 (see Note 13).

Taxes and licenses is composed of business taxes paid for permits, licenses and property taxes incurred in the normal course of the Group's business operations. The decrease of the amount paid in 2009 compared to that in 2009 is due to real property taxes in arrears that were paid by the Group with respect to its real estate properties.

Management and directors' fees pertain to remuneration paid to the directors of the Group when board meetings are held. It decreased in 2009 because no bonus to the directors was paid unlike it 2008 where bonuses amounting to P5.8 million were paid to incumbent directors of the Parent Company.

NOTE 17 – SHARE CAPITAL

As of December 31, 2009, 2008 and 2007, the details of the Parent Company's share capital are as follows:

	2009	2008
Class A Shares (Including Class B Shares declassified in 2008)		
Authorized:		
Number of Shares		
January 1	**3,000,000,000**	210,000,000,000
Additions during the year	**-**	-
Effect of declassification	**-**	90,000,000,000
December 31, at par value of P0.01		300,000,000,000
Change in par value from P0.01 to P1		÷ 100
December 31, at par value of P1	**3,000,000,000**	3,000,000,000
Amount:		
January 1	**P3,000,000,000**	P2,100,000,000
Additions during the year	**-**	-
Effect of declassification	**-**	900,000,000
December 31	**P3,000,000,000**	P3,000,000,000

	2009	2008
Issued:		
Number of Shares		
January 1	**2,000,566,014**	145,162,581,400
Effect of declassification	**-**	15,000,000,000
Subscriptions for the year	**654,529,820**	39,894,020,000
	2,655,095,834	200,056,601,400
Subscriptions receivable	**(296,082,544)**	(29,608,254,400)
December 31, at par value of P0.01		170,448,347,000
Change in par value from P0.01 to P1		÷ 100
December 31, at par value of P1	**2,359,013,290**	1,704,483,470
Amount:		
January 1	**P2,000,566,014**	P1,451,625,814
Effect of declassification	**-**	150,000,000
Subscriptions for the year	**654,529,820**	398,940,200
	2,655,095,834	2,000,566,014
Subscriptions receivable	**(296,082,544)**	(296,082,544)
December 31	**P2,359,013,290**	P1,704,483,470
Class B Shares (Declassified in 2008)		
Authorized:		
Number of Shares		
January 1	**-**	90,000,000,000
Additions during the year	**-**	-
Effect of declassification	**-**	(90,000,000,000)
December 31	**-**	-
Amount:		
January 1	**P-**	P900,000,000
Additions during the year	**-**	-
Effect of declassification	**-**	(900,000,000)
December 31	**P-**	P-
Issued:		
Number of Shares		
January 1	**-**	15,000,000,000
Effect of declassification	**-**	(15,000,000,000)
December 31	**-**	-
Amount:		
January 1	**P-**	P150,000,000
Effect of declassification	**-**	(150,000,000)
December 31	**P-**	P-
Treasury Shares at Cost		
January 1	**P5,865,000**	P5,865,500
Re-issuance	**(4,714,210)**	-
December 31	**P1,150,790**	P5,865,500

The BOD approved on January 24, 2008 with a vote of at least two-thirds of the outstanding share capital on July 10, 2008, the declassification of the Parent Company's Class A and B shares and the change of par value from P0.01 to P1. The declassification and change in par value of shares were approved by the SEC on November 5, 2008.

Up to the declassification of the common shares in November 2008, both types of common shares were identical in all respects, except that Class A shares were restricted in ownership by citizens of the Philippines and corporations or associations wherein at least 60% of their capital stock were to be owned and held by citizens of the Philippines.

The subscribed shares in 2009 amounting to P654,529,820 were issued to BSDHI in exchange for its investment in KPI and VRC when they were acquired via a share-for-share swap in December 2009. KPI and VRC received Company's shares amounting to P341,425,940 and P313,103,880, respectively (see Note 28).

The Parent Company's outstanding treasury shares amounted to P1,150,790 and P5,865,000 in 2009 and 2008, respectively. Treasury shares amounting to P4,714,210 were re-issued to the officers of the Parent Company who retired in 2008 as part of their retirement benefits. The amount of treasury shares restricts the Parent Company from declaring an equivalent amount from the unappropriated retained earnings as dividends.

As of December 31, 2009 and 2008, minority interests for PRIDE amounted to P117,883,386 and P83,169,303, respectively.

In 2008, the Parent Company declared its investment in AbaGT as property dividends to its shareholders amounting to P187,257,100, net of the P12,213,000 received by subsidiaries owning the Parent Company's traded shares. The property dividend declared resulted to the reduction of the Group's interest from 66.67% to 9.64% as of December 31, 2008 and 2007, respectively.

NOTE 18 - RETIREMENT BENEFITS COST

The Group is required by Republic Act (R.A.) 7641, Retirement Law, to pay retirement benefits for all employees who have reached the retirement age of 60 and have rendered a minimum continued service of five years. Under R.A. 7641, the retirement pay is equivalent to at least half of the final monthly salary of the employee for every year of service.

Under PAS 19, "Employee Benefits", the cost of defined retirement benefits, including those mandated under R.A. 7641, should be determined using an accrued benefit actuarial valuation method or a projected unit credit actuarial valuation method.

Retirement benefit cost paid to officers who retired in 2009 amounted to P12,078,321.

Management believes that the effect on the financial statements of the difference between the retirement benefit cost recognized by the Group and the retirement benefit cost that could be determined using the projected unit credit actuarial valuation method is not significant.

NOTE 19 - INCOME TAXES

a.) The provision for income tax consists of:

	2009	2008	2007
Current	**P33,989**	P34,727	P908,029
Deferred	**189,589,212**	179,671,595	10,163,444
	P189,623,201	P179,706,322	P11,071,473

b.) The deferred tax liabilities in the consolidated statements of financial position consist of the following:

	2009	2008
Revaluation increment in investment property	**P563,619,257**	P436,448,626
Unrealized foreign exchange gain	**-**	4,349
	P563,619,257	P436,452,975

c.) The reconciliation between the provision for income tax expense computed at statutory income tax rates and the actual income tax expense is shown below:

	2009	2008	2007
Income tax expense at statutory tax rate of 30% in 2009 and 35% in 2008 and 2007	**P196,374,071**	P249,127,924	P207,246,945
Additions to (reductions in) income tax:			
Share in net earnings of associates	**(15,416,741)**	(8,556,486)	(16,144,816)
Gain on sale of investments in associate	**(8,703)**	-	(179,734,871)
Interest income subjected to final tax	**(226,287)**	(566,587)	(651,285)
Unrealized foreign exchange loss (gain)	**(147,146)**	2,193,294	(2,356,829)
Unrealized loss (gain) on market recovery	**(7,695,131)**	-	(4,641,199)
Non-deductible expenses	**-**	635,157	181,005
Non-deductible representation expense	**413,603**	417,747	398,593
Non-deductible interest expense	**46,107**	2,916	258,669
Other nondeductible expenses	**-**	-	262,538
Excess of net assets of the acquirees over cost of acquisition	**-**	-	(16,629,195)
Changes in unrecognized deferred income tax asset	**-**	-	4,854,971
Non-deductible retirement	**-**	-	1,039,764
Derecognized deferred tax liability	**(4,349)**	(1,718,826)	-
Unrecognized deferred tax asset on impairment	**-**	-	718,386
Derecognized deferred tax asset	**-**	-	568,333
Unrecognized NOLCO	**16,307,064**	10,873,545	15,979,093
Unrecognized MCIT	**14,506**	18,831	97,051
Deferred MCIT written off	**-**	-	57,198
Utilized NOLCO	**(33,793)**	-	(432,878)
Expired MCIT	**-**	-	-
Effect of change in tax rate	**-**	(72,721,193)	-
Actual income tax expense	**P189,623,201**	P179,706,322	P11,071,473

d.) New tax laws and regulations

By virtue of RA No. 9337, beginning November 1, 2005, the regular income tax rate was increased from 32% to 35% and would be effective until December 31, 2008, and will be reduced to 30% beginning January 1, 2009. The rate for allowable deduction for interest expense was increased from 38% to 42% beginning November 1, 2005 and will be reduced to 33% beginning January 1, 2009.

NOTE 20 – EARNINGS PER SHARE (EPS)

The following table presents information necessary to calculate basic earnings per share:

	2009	2008	2007
Net income attributable to equity holders of the Parent Company	**P437,806,708**	P531,881,610	P386,202,930
Weighted average number of common shares outstanding during the year	**1,641,777,571**	1,500,690,776	145,354,082,400
	P0.266666	P0.354423	P0.002660

The diluted earnings per share for the years ended December 31, 2009, 2008 and 2007 have not been calculated as no dilutive potential ordinary shares existed during those years.

NOTE 21 – COMMITMENTS AND CONTINGENCIES

The Parent Company, in the course of its exploration activities in its COC in Tandag, Surigao del Sur (see Note 12) and its mining contract with Phsamed Exploration and Development Corporation (PHSAMED) (see Note 22), is bound to comply with the necessary minimum requirements set by law and the contracts mentioned.

In 2008, the Parent Company entered into a Heads of Agreement (the Agreement) with Music and Lodestar to transfer its outstanding shares in AbaCoal including its interest in a coal property located in Tandag, Surigao del Sur.

The parties thereto amended the terms of the Agreement in May 2009 whereby Music assigned its right to acquire 55% participation and equity interest in AbaCoal to Lodestar upon payment of agreed consideration.

This Agreement was amended in 2009 whereby Music assigned its right to acquire 55% participation and equity interest in AbaCoal to Lodestar. The purchase price is in the form of exchange of shares whereby P225 million worth of shares of AbaCoal at par value are swapped with 25 million shares of Lodestar valued at P9 per share or a total value of P225 million. As a consequence of this exchange of shares, Lodestar gained control of 75% of the over-all outstanding share capital of AbaCoal. Lodestar is also granted an option to acquire the remaining P75 million worth of shares of Abacoal.

As of report date, the registration of the shares in the names of the respective parties has not yet been completed.

In 2009, the Parent Company received advances from Lodestar amounting to P15 million in addition to the P15 million received in 2008.

NOTE 22 – MINES OPERATING AGREEMENT (MOA)

On November 2005, the Parent Company entered into a MOA with Phsamed Mining Corporation (PHSAMED), a Davao City-based joint venture company formed by Philsaga Mining Corporation, a Filipino mining venture, and Medusa Mining Limited of Australia. The MOA covers an estimated total tenement area of 8,100 hectares or 121 mining rights and governed by the Parent Company's Exploration Permit Application # 000028-XIII.

In January 26, 2009, the Parent Company terminated the MOA with PHSAMED due to alleged violations by the latter of the agreement. Both parties however, are willing to discuss a new agreement mutually beneficial to them but as of date, there has been no communication between them regarding a new contract.

NOTE 23 - JOINT VENTURE AGREEMENT (JVA)

PRIDE represented Omnicor and its subsidiaries (the Owners) in a JVA with Solar Resources, Inc. (Solar), executed on February 18, 2007 involving properties of the Owners amounting to P42,163,200. The pertinent terms of the JVA are as follows:

- Solar undertakes to develop the property into a residential/commercial subdivision;
- Solar shall, as soon as practicable, start the construction and development work in the project after all the necessary permits and clearances to commence development works shall have been completely secured;
- Solar shall develop the project by way of phases and commits to complete all construction and development works on each phase within three (3) years or longer from the commencement thereof but the period maybe shortened or lengthened depending on the sales performance of the project;
- Expenses in securing the approval from the Department of Agrarian Reform of the land conversion of the properties to residential/commercial use, or its exemption from conversion shall be shared by Solar and the Owners on a 65%-35% ratio;
- As and by way of return on the respective contributions of the parties, the net saleable area in the residential/commercial subdivision shall be divided between Solar and the Owners on a 65%-35% ratio; and
- As part of the JVA, PRIDE shall acknowledge the receipt of P10 million from Solar as cash advance from the joint venture. This cash advance shall be paid by PRIDE to the joint venture thru successive deductions from any and all collections received from the sale of the Owners' 35% lot share in the project. Advances received as of December 31, 2008 and 2009 amounted to P9,500,000.

As of report date, the project is still under development and no revenue is recognized yet.

NOTE 24 - CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The Parent Company's BOD and management have overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and accrued expenses, loans payable, rental deposit payable, bills payable, income tax payable, advances from related parties and deferred tax liability. The Group reports its total equity as the capital it manages. This comprises all components of equity including share capital, retained earnings and minority interest. The Group's equity amounts to P2,817,832,029 and P2,192,308,306 as of December 31, 2009 and 2008, respectively.

There are no changes in the Group's approach to capital management during the year.

The Group is not subject to statutory capital requirement except for PRIDE and PIIFI which are subject to minimum capital requirements. PRIDE is in compliance with the statutory minimum capital requirement of P300 million set by the Investment House Law. PIIFI also meets the minimum capital requirement of P50 million set by the Investment Company Act.

NOTE 25 - SEGMENT INFORMATION

Business Segments

For management purposes, the Group is organized into four main business segments – holding, real estate, financial services and hotel. These are also the basis of the Group in reporting its primary segment information.

The holding segment is primary engaged in purchasing, owning, holding, transferring, or disposing of real properties of every kind and description, including shares of stocks and other securities, contracts or obligations of any corporation or association and contributed 7% and 1% of the Group's consolidated net income for the years ended December 31, 2009 and 2008, respectively.

The real estate segment includes purchases of land for appreciation which contributed 59% and 72% of the Group's consolidated net income for the years ended December 31, 2009 and 2008, respectively.

The financial services segment is involved in the accumulation of deposits and extension of rural credits to small farmers and tenants and to deserving rural industries or enterprises. This segment only existed in 2007 when PSDBI is still a subsidiary of PRIDE. It was deconsolidated in 2008 when the ownership of PRIDE in PSDBI was diluted to 40%.

The hotel segment is basically engaged to own, lease, operate, manage and administer hotels/hometels, apartment hotels, restaurants and all facilities, accommodations adjunct and accessories appurtenants to general hostelry business. This segment was also deconsolidated in 2008 when ownership of the Parent Company in AbaGT was reduced to 9.64%.

Other segments include the mining and exploration, investment and other small divisions of the Group which contributed 34% and 27% of the Group's consolidated net income for the years ended December 31, 2009 and 2008, respectively. These are monitored by the Group's Management as well.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivable and property, plant and equipment, net of allowances and provisions and investment property. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Inter-segment transactions

Segment revenues, expenses and performance include revenue and expenses between business segments. Such revenues and expenses are eliminated in consolidation.

Business Segments

	Holding			Real Estate			Financial Services			Hotels			Others			*Eliminations*			Consolidated		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
External Revenue	P49,446,437	P18,673,136	P16,888,557	P221,838	P1,315,510	P5,117,867	P-	P-	P12,261,535	P-	P-	P362,809	P3,042,485	P1,231,563	P623,959,691	P-	P-	P-	P52,710,760	P21,220,209	P658,590,459
Results																					
Segment results	(P19,106,807)	(P23,847,774)	(P16,662,952)	(P11,187,308)	(P7,131,288)	P1,448,762	P-	P-	P1,960,796	P-	P-	(P10,622,404)	(P11,623,927)	(P7,752,573)	P577,204,759	P-	P-	P-	(P41,918,042)	(P38,731,635)	P553,328,961
Gain on revaluation of investment property	-	-	-	403,130,607	538,878,600	-	-	-	-	-	-	-	241,978,536	187,200,000	-	-	-	-	645,109,143	726,078,600	-
Share in net earnings (loss) of associates	49,467,647	24,355,622	6,507,138	(24,453)	(67,895)	-	-	-	-	-	-	-	1,945,942	159,375	39,620,908	-	-	-	51,389,136	24,447,102	46,128,046
Provision for (benefit from) income tax	3,771	(326,403)	2,995,136	117,025,870	145,980,005	375,163	-	-	810,453	-	-	6,632,216	72,593,561	34,052,720	258,505	-	-	-	189,623,202	179,706,322	11,071,473
Net Income (Loss)	P30,357,069	P834,251	(P13,150,950)	P274,892,976	P385,699,412	P1,073,599	P-	P-	P1,150,343	P-	P-	(P17,254,620)	P159,706,990	P145,554,082	P616,567,162	P-	P-	P-	P464,957,035	P532,087,745	P588,385,534
Assets																					
Operating assets	P521,176,138	P348,592,949	P396,676,961	P1,666,294,293	P1,029,878,704	P528,896,566	P-	P-	P92,370,391	P-	P-	P319,376,287	P862,537,392	P790,745,359	P666,789,638	(P253,710,712)	(P115,157,089)	(P159,965,080)	P2,796,297,111	P2,054,059,923	P1,844,144,763
Advances to related parties	308,518,723	211,371,794	117,518,011	268,115,982	201,869,004	181,153,527	-	-	-	-	-	19,294,088	32,973,734	40,338,753	240,201,346	(478,307,957)	(343,780,916)	(557,730,114)	131,300,482	109,798,635	436,858
Deferred tax assets	-	-	-	-	-	-	-	-	2,550,713	-	-	16,836,556	-	-	313,886	-	-	-	-	-	19,701,155
Investments in associates	2,319,230,552	1,638,093,056	1,811,343,085	171,367,262	77,409,105	69,975,000	-	-	-	-	-	-	405,348,714	403,396,184	436,015,165	(2,312,022,041)	(1,566,225,991)	(1,836,782,646)	583,924,487	552,672,354	480,550,604
Other assets	30,442	30,442	30,442	963,991	647,414	511,120	-	-	1,226,676	-	-	720,311	299,943	299,499	276,055		-	-	1,294,376	977,355	2,764,604
Total Assets	P3,148,955,855	P2,198,088,241	P2,325,568,499	P2,106,741,528	P1,309,804,227	P780,536,213	P-	P-	P96,147,780	P-	P-	P356,227,242	P1,301,159,783	P1,234,779,795	P1,343,596,090	(P3,044,040,710)	(P2,025,163,996)	(P2,554,477,840)	P3,512,816,456	P2,717,508,267	P2,347,597,984
Liabilities																					
Operating liabilities	P126,085,593	P25,634,111	P4,946,928	P5,642,832	P4,003,591	P2,693,928	P-	P-	P76,882,542	P-	P-	P12,446,420	P15,186,600	P23,743,120	P18,353,891	(P85,653,815)	(P6,679,398)	(P5,524,091)	P61,261,210	P46,701,424	P109,799,618
Advances from related parties	36,319,464	37,252,312	58,018,300	297,582,298	164,041,189	172,396,047	-	-	-	-	-	214,250,672	32,621,298	118,009,960	110,478,906	(366,523,060)	(318,616,969)	(538,526,026)	-	686,492	16,617,899
Loans payable	22,689,787	41,342,400	35,913,600	47,400,000	-	-	-	-	-	-	-	-	-	-	18,808,333	-	-	-	70,089,787	41,342,400	54,721,933
Income tax payable	8,119	4,866	67,021	6,054	10,644	368,428	-	-	-	-	-	-	-	1,160	4,058	-	-	-	14,173	16,670	439,507
Deferred tax liability	2,013,707	2,018,055	2,349,325	495,458,920	255,937,235	109,985,931	-	-	-	-	-	26,875,893	71,193,568	178,497,685	169,831,806	(3,033,231)	-	-	563,619,257	436,452,975	309,042,955
Total Liabilities	P187,116,670	P106,251,744	P101,295,174	P846,090,104	P423,992,659	P285,444,334	P-	P-	P76,882,542	P-	P-	P253,572,985	P119,001,466	P320,251,925	P317,476,994	(P455,210,106)	(P325,296,367)	(P544,050,117)	P694,984,427	P525,199,961	P490,621,912
Depreciation	P242,589	P298,397	P474,383	P15,639	P-	P220	P-	P-	P181,737	P-	P-	P5,238,696	P153,097	130,340	P497,663	P-	P-	(P6,030,085)	P411,325	P428,737	P362,614

NOTE 26 - LEASES

The Group has also entered into an operating lease agreement with Doña Nicasia Realty for a term of one year with an escalation rate of 10% per year. During the year, the Company renewed its lease agreement for another year.

The Group's future minimum lease payments under the above non-cancelable lease agreement is P186,975 for 2010.

Lease rental expense for the years ended December 31, 2009, 2008 and 2007 amounted to P258,156, P130,978 and P440,864, respectively.

The Group has lease agreements that are renewable upon mutual agreement with its lessees as follows:

Lessee	Lease Period
Globe Telecom, Inc.	October 10, 2006 – October 9, 2011
Metro Lipa Water District	January 1, 2009 – December 31, 2009
BSDHI	December 2008 – December 2010

During the year, the Parent Company entered into a sub-lease agreement with BSDHI for occupying a portion of the area leased from Doña Nicasia Realty (noted above).

Rental income earned for the years ended December 31, 2009, 2008 and 2007 amounted to P622,609, P235,847, and P1,938,942, respectively.

The future minimum lease receipts are as follows:

Period	Amount
Less than one year	P400,853
More than one year but less than five years	154,281

NOTE 27 - FINANCIAL INSTRUMENTS

The table below presents a comparison by category of carrying amounts and estimated fair values of the Company's financial assets and liabilities as of December 31, 2009 and 2009:

	2009		2008	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	**P14,031,107**	**P14,031,107**	P48,009,654	P48,009,654
Trade and other receivables	**12,217,593**	**12,217,593**	13,960,760	13,960,760
Advances to related parties	**131,300,482**	**131,300,482**	109,798,635	109,798,635
	P157,549,182	**P157,549,182**	P171,769,049	P171,769,049

	2009		2008	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial Liabilities				
Accounts payable and accrued expenses	**P21,640,496**	**P21,640,496**	P22,080,712	P22,080,712
Advances from related parties	**-**	**-**	686,492	686,492
Deposit for the sale of investment in AbaCoal	**30,000,000**	**30,000,000**	15,000,000	15,000,000
Advances from joint venture	**9,500,000**	**9,500,000**	9,500,000	9,500,000
Loans payable	**70,089,787**	**70,089,787**	41,342,400	41,342,400
Rental deposit payable	**120,712**	**120,712**	120,712	120,712
	P131,350,995	**P131,350,995**	P88,730,316	P88,730,316

Fair Value of Financial Instruments

The carrying amounts of the cash and cash equivalents, trade and other receivables, advances to related parties, advances from a related party, advances from heads of agreement, loan payable and accrued expenses and other payables approximate their fair values due to the relatively short-term maturity of these financial instruments.

NOTE 28 - BUSINESS COMBINATION

In December 2009, the BOD approved the share-for-share swap acquisition by the Parent Company of the 100% outstanding capital stock and advances of BSDHI's two subsidiaries, namely, KPI and VRC in exchange for the Parent Company's 654,529,820 shares at P1 par value or a total of P654,529,820.

The fair value of the identifiable assets and liabilities of the two subsidiaries acquired at the date of acquisition and the corresponding carrying amounts before the acquisition were:

	Fair Value / Carrying Value Realized on Acquisition
Assets	
Cash	**P339,424**
Prepaid expenses	**43,108**
Investment property	**654,529,820**
Total Assets	**P654,912,352**
Liabilities	
Accounts payable and accrued expenses	**P5,512,851**
Advances from related parties	**163,063,888**
Deferred tax liability	**144,200,696**
Total Liabilities	**312,777,435**
	P342,134,918

The acquisition resulted to the recognition of goodwill of P149,381,978.

In 2007, AbaGT purchased all the outstanding capital stock of five subsidiaries, namely: Alpha Hotel, BFI, BPI, BRI and SRC, for P100 million which resulted to the recognition of goodwill and excess of the net assets of the acquirees over the cost of the acquisition of P103,140,612 and P68,414,946, respectively.

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE C - NON-CURRENT MARKETABLE EQUITY SECURITIES
OTHER LONG-TERM INVESTMENTS IN STOCK, AND OTHER INVESTMENTS
For the Year Ended December 31, 2009

Name and Designation of Debtor	BEGINNING BALANCE		ADDITIONS		DEDUCTIONS		ENDING BALANCE		Dividends Received from Investment Not Accounted for by the Equity Method
	No. of Shares or Principal Amount of Bonds and Notes	Amount in Pesos	Equity in Earnings (Losses) of Investees for the Period	Other	Distribution of Earnings by Investees	Other	No. of Shares or Principal Amount of Bonds and Notes	Amount in Pesos	
Pride Star Development Bank, Inc.	399,500	P18,729,016	P1,904,032	P-	P-	P-	399,500	P20,633,048	P-
Abacus Global Technovisions, Inc.	44,977,450	43,402,827	(566,370)	-	-	-	44,977,450	42,836,457	-
Pacific Online Systems Corporation	36,295,522	490,540,511	50,051,474	-	18,212,423	1,924,580	36,073,522	520,454,982	-
Total	**81,672,472**	**P552,672,354**	**P51,389,136**	**P-**	**P18,212,423**	**P1,924,580**	**81,450,472**	**P583,924,487**	**P-**

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE D - ADVANCES TO UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES
December 31, 2009

Name of Affiliates	Beginning Balance	Ending Balance
Abacus Global Technovisions, Inc.	P55,990,899	P56,800,255
Blue Stock Development Holdings, Inc.	41,874,402	52,518,814
Hedge International Management Group, Inc.	8,340,050	13,139,060
Geyser, Inc.	-	4,980,928
Click Communications, Inc.	3,557,000	3,861,425
Quilib Quality Farms, Inc.	33,119	-
Kapuluan Properties, Inc.	2,295	-
Quilib Cattle Corporation	870	-
TOTAL	**P109,798,635**	**P131,300,482**

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE E - PROPERTY AND EQUIPMENT
For the Year Ended December 31, 2009

Classification	Beginning Balance	Additions - at cost	Retirements/ Disposals	Other changes- Additions (deductions)	Ending Balance
Land	P293,541	P-	P-	P -	P293,541
Buildings and improvement	7,228,000	-	-	-	7,228,000
Machinery and other equipment	2,870,031	16,427,200	(100,984)	-	19,196,247
Total	**P10,391,572**	**P16,427,200**	**(P100,984)**	**P-**	**P26,717,788**

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE F - ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2009

Classification	Beginning Balance	Provisions	Retirements/ Disposals	Other changes- Additions (deductions)	Ending Balance
Land	P-	P-	P-	P-	P-
Buildings and improvement	6,976,926	6,743	-	-	6,983,669
Machinery and other equipment	2,283,095	404,582	(78,163)	-	2,609,514
Total	**P9,260,021**	**P411,325**	**(P78,163)**	**P-**	**P9,593,183**

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE G - INDEBTEDNESS TO AFFILIATES
December 31, 2009

Name of Affiliates	Beginning Balance	Ending Balance
Mojica Realty Corporation	P519,139	P-
Blue Stock Development Holdings, Inc.	87,294	-
Candor Realty Corporation	52,904	-
Quilib Quality Farms, Inc.	27,155	-
Total	**P686,492**	**P-**

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

SCHEDULE H - LONG TERM DEBT
December 31, 2009

Name of Issuer and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long Term	Remarks
Philippine Veterans Bank	P47,400,000	P-	P47,400,000	
Bank of Commerce	20,000,000	-	20,000,000	
Agrodynamics Farms (Texas), Inc.	2,689,787	2,689,787	-	
Total	**P70,089,787**	**P2,689,787**	**P67,400,000**	

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
AND SUBSIDIARIES

Schedule I - CAPITAL STOCK
December 31, 2009

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions and Other rights	Number of Shares Held By		
				Affiliates	Directors Officers and Employees	Others
Common share	3,000,000,000	2,359,013,290	-	176,141,840	16,214,874	2,166,656,576

COVER SHEET

0 0 0 0 0 9 8 7 8 0
S.E.C. Registration Number

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

(Company's Full Name)

N O . 2 8   N . D O M I N G O   S T .   N E W   M A N I L A
Q U E Z O N   C I T Y

(Business Address : No. Street City/Town/Province)

ATTY. JOAQUIN E. SAN DIEGO
Contact Person

725-7875; 724-5055
Company Telephone Number

1 2 *Month* **3 1** *Day*

1 7 - Q
FORM TYPE

0 7 *Month* **2nd Thurs.** *Day*
Annual Meeting

(PC) LISTED SECURITIES
Secondary License Type, If Applicable

C F D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

- -

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2010**

2. SEC Identification No.: **98780**

3. BIR Tax Identification No.: **002-727-393**

4. Exact name of issuer as specified in its charter:

   Abacus Consolidated Resources and Holdings, Inc.

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

6. Industry Classification Code: ___________ (SEC Use Only)

7. Address of principal office: **28 N. Domingo St.**
   New Manila, Quezon City

   Postal Code: **1112**

8. Issuer's telephone number, including area code:

   (02) **724-5055/725-7875**

9. Former name, former address, former fiscal year: **Not applicable**

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 outstanding
Common	1,999,415,209

Amount of Debt Outstanding as of March 31, 2010: ₽70,029,820

11. Are any or all of these securities listed on a Stock Exchange? Yes [**x**] No [ ]

All Common shares of the corporation are listed in the Philippine Stock Exchange.

12. Indicate by check mark whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**x**] No [ ]

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

Yes [**x**] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. <u>Financial Statements</u>

The following are attached hereto as part of this report:

Consolidated Balance Sheets as of March 31, 2010 (unaudited) and December 31, 2009 (audited)

Consolidated Statements of Income for the Quarters Ended March 31, 2010 and March 31, 2009 (unaudited)

Consolidated Statements of Changes in Stockholders' Equity for the Quarters Ended March 31, 2010 and March 31, 2009 (unaudited)

Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2010 and March 31, 2009 (unaudited)

Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>

The company posted a gross income of ₽16.4 million, a 35% increase from the Q1-2009 figure of ₽12.2 million. The most significant factor in the increase in gross income was the share in net earnings of Pacific Online Systems Corporation (POSC) which increased 22% year-on-year from ₽12,548,904 to ₽15,294,619 and the gain on sale of POSC shares resulting from the disposal of 200,000 shares.

Total operational expenses decreased 46% from ₽14,577,581 to ₽7,895,421. Significant decreases were posted in representation (41%), repairs and maintenance (65%), transportation (52%), communication (63%) and miscellaneous expense (15%) due to cost-cutting measures. There were also significant decreases in salaries and wages (18%), professional and other services (38%), and employee benefits (98%) due to the retirement of officers and staff in March 2009, that is, the Q1-2010 figure represents payments to fewer personnel, and the Q1-2009 figure includes retirement benefit payments. Taxes and licenses increased 61% because of the updating of real estate tax payments on several properties. Utilities expense increased 61% due to power rate increases. Interest expense incurred was due to additional bank loan obtained to provide funding for projects. Depreciation almost tripled year-on-year due to the acquisition of equipment by Omnicor Industrial Estate Realty Center, Inc., a real estate subsidiary, for the Montemaria projects in Batangas City.

The result of the above mentioned revenue increase and decrease in expenses resulted in a net income of ₽6,444,641 for Q1-2010 compared to a net loss of ₽2,134,826 in Q1-

2009. Basic earnings per share was ₱0.00480 for Q1-2010 compared to (₱0.00729) for Q1-2009, both computed on the basis of a par value of ₱1.00 per share.

Insofar as the assets accounts are concerned, the only significant change from the yearend 2009 figures was in Cash and cash equivalents, which decreased 43% due to additional advances to affiliates for purchase of equipment for mining and real estate projects.

Insofar as liabilities accounts are concerned, the only significant change from the yearend 2009 figures was in Accounts payable and accrued expenses, which decreased 5% due to the settlement of accrued professional fees for audit fees.

In the equity account, the adjustment for shares held by subsidiaries was up 39% from yearend 2009 because of adjustments brought about by lower share price, while retained earnings was up 9% from yearend 2009 due to the improved performance for Q1-2010.

The company's direct subsidiaries as of end March 2010 are as follows:

Name of Subsidiary	Percentage held by ABACUS	Line of business
Philippine Regional Investment Development Corporation (PRIDE)	96.4%	financial services
Abacus Goldmines Exploration and Development Corporation	100%	gold mining
Abacus Coal Exploration and Development Corporation	100%	coal mining
Pacific Online Systems Corporation	18.08%	leasing of gaming equipment

Key Performance Indicators of parent company and major subsidiaries

	ABA[1]	PRIDE[1a]	ABA[1]	PRIDE[1a]
	YTD March 31, 2010		*YTD March 31, 2009*	
Gross income	16,566,902	(49,610,153)	12,457,746	44,129,149
Net income	6,444,641	(53,850,099)	(2,134,826)	36,704,302
Return on assets[2]	0.18%	(2.85%)	(0.08%)	1.84%
	As of March 10, 2010		*As of Dec. 31, 2009*	
Current ratio[3]	2.5	5.1	2.9	5.7
Tangible net worth[4]	2,422,316,839	1,361,976,841	2,415,890,497	1,440,603,786

[1]parent and subsidiaries, including PRIDE
[1a]including subsidiaries
[2]net income/average total assets
[3]current assets/current liabilities
[4]net worth minus intangible assets

The group consolidated current ratio decreased slightly from 2.9 to 2.5 due to smaller cash balance after additional advances for equipment purchases for projects.

PRIDE group registered a loss of ₱49 million mainly due to decrease in the price in the market of 176 million Aba shares from ₱0.89 as of yearend 2009 to ₱0.62 as of end-March 2010.

Abacus Goldmines Exploration and Development Corporation is not included in the above analysis since it is still in pre-operating stage. Abacus Global Technovisions, Inc. (AbaGT) is no longer included in the consolidation because the holdings of Abacus Consolidated Resources and Holdings, Inc. (ACRHI) in AbaGT were reduced to 9.64% due to the distribution of AbaGT shares as property dividend to ACRHI's stockholders.

Other financial information

1. The company does not have and does not foresee any cash flow or liquidity problems within the next twelve (12) months. The company is not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments and does not have any unpaid trade payables.

2. The company is not in default of any obligation or condition thereof. The company is not aware of any event that will trigger material financial obligations on it part.

3. The company has not made any material off-balance sheet transactions, arrangements and/or obligations. Neither did the company create any other relationships with unconsolidated entities or other persons during the reporting period.

4. The company has not made any material commitments for capital expenditures.

5. The company is not aware of any trends, events or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on revenues or income from operations.

6. Apart from what is mentioned above, there were no other significant elements of income or loss during the reporting period that did not arise from the company's operations.

7. The revenues of PRIDE are derived from commissions and other fees for financial services. These transactions take place a few times each year, and there are some periods where no transactions are consummated, with the corresponding impact on the financial condition and results of operations of ABACUS. Apart from this, there are no other seasonal or cyclical aspects or factors that may affect the financial condition or results of operations of ABACUS.

8. Apart from the above factors, the company is not aware of any other material events and uncertainties that would make the financial information herein reported not to be necessarily indicative of future operating results or future financial condition.

PART II - OTHER INFORMATION

1. As earlier disclosed to the SEC and PSE, the company acquired, via a share-for-share swap, several affiliate corporations owning properties contiguous or adjacent to properties now held by the Abacus group. The company is currently working to complete the documentation for its share ownership of said corporations, as well as other preparatory steps to be able to list the new shares issued as a result of the share-for-share swap.

2. Disclosures not made under SEC Form 17-C: None.

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 thereunto duly authorized.

ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC.

By:

LEONARDO S. GAYAO
President

Date: 20 May 2010

JOAQUIN E. SAN DIEGO
Vice President/Corp. Secretary

Date: 20 May 2010

JOSE L. CARLOS, JR.
Treasurer/Principal Financial Officer

Date: 20 May 2010

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	UNAUDITED MARCH 31 2010	AUDITED DECEMBER 31 2009
A S S E T S		
Current Assets		
Cash and cash equivalents	**P7,974,835**	P14,031,107
Trade and other receivables	**11,918,717**	12,217,593
Advances to related parties	**128,789,123**	131,300,482
Investment in associates	**597,062,763**	583,924,487
Goodwill	**401,941,532**	401,941,532
Investment properties	**2,318,803,340**	2,318,803,340
Property and equipment, net	**17,924,543**	17,131,605
Construction-in-progress	**25,252,625**	25,058,401
Deferred exploration costs	**7,113,532**	7,113,532
Other assets	**1,328,739**	1,294,376
TOTAL ASSETS	**P3,518,109,749**	P3,512,816,455
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	**P20,567,415**	P21,640,496
Advances from heads of agreement	**30,000,000**	30,000,000
Advances from joint venture	**9,500,000**	9,500,000
Income tax payable	**14,174**	14,174
Loans payable	**70,029,820**	70,089,787
Deferred tax liability	**563,619,257**	563,619,257
Rental deposit payable	**120,712**	120,712
Total Liabilities	**693,851,378**	694,984,426
Equity		
Share capital	**2,359,013,290**	2,359,013,290
Shares held by subsidiaries	**(159,436,346)**	(114,920,708)
	2,199,576,944	2,244,092,582
Retained earnings	**498,983,197**	456,938,306
	2,698,560,141	2,701,030,888
Treasury shares	**(1,150,790)**	(1,150,790)
Minority Interest	**126,849,020**	117,951,931
Total Equity	**2,824,258,371**	2,817,832,029
	P3,518,109,749	P3,512,816,455

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended March 31	
	2010	2009
Income		
Share in net earnings of associate	**P15,294,619**	P12,548,904
Interest income	**7,540**	323,510
Gain on sale of POSC shares	**1,018,770**	-
Unrealized foreign exchange gain (loss)	**56,427**	(701,923)
	16,377,356	12,170,490
Expenses		
Salaries and wages	**662,837**	807,933
Emplyee benefits	**117,733**	7,597,885
Taxes and licenses	**4,542,114**	2,814,320
Professional and other services	**799,254**	1,297,060
Management and directors' fees	**300,000**	361,765
Utilities	**187,976**	116,420
Office supplies and publications	**83,003**	185,974
Depreciation	**327,919**	114,087
Representation	**165,950**	282,241
Repairs and maintenance	**36,308**	103,614
Dues	**304,448**	301,565
Transportation	**95,411**	200,370
Communication	**48,938**	130,643
Miscellaneous	**223,530**	263,706
	7,895,421	14,577,581
Income (Loss) from Operations	**8,481,936**	(2,407,091)
Other Income (Loss)		
Mark-to-market loss	**-**	(844)
Other income	**189,545**	288,100
	189,545	287,256
Finance Costs		
Interest expense	**2,226,340**	-
Bank charges	**500**	10,125
	2,226,840	10,125
Income before Tax	**6,444,641**	(2,129,960)
Provision for (Benefit from) Income Tax		
Current	**-**	4,866
	-	4,866
Net Income	**P6,444,641**	(P2,134,826)
Attributable to:		
Equity holders of the Parent Company	**8,377,769**	(11,193,660)
Minority interest	**(1,933,128)**	9,058,835
	P6,444,641	(P2,134,826)
Basic Earnings per Share	**P0.00480**	(P0.00729)

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and its SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended March 31	
	2010	2009
Cash Flows from Operating Activities		
Net income (loss) before income tax	**6,444,641**	(P2,129,960)
Adjustment for -		
Depreciation	**327,919**	114,087
Share in net earnings of an associate	**(15,294,619)**	(12,548,904)
Interest income	**(7,540)**	(323,510)
Finance cost	**2,226,340**	-
Unrealized foreign exchange gain (loss)	**56,427**	-
Operating income (loss) before working capital changes	**(6,246,832)**	(14,888,287)
Decrease (increase) in -		
Trade and other receivables	**298,876**	(822,915)
Advances to related parties	**1,358,186**	(6,585,893)
Other assets	**(34,363)**	(179,037)
Increase (decrease) in accounts payable		
Accounts payable and accrued expenses	**(1,073,081)**	(2,024,962)
Cash provided by (used in) operations	**(5,697,213)**	(24,501,094)
Interest received	**7,540**	323,510
Interest paid	**(2,226,340)**	-
Net cash provided by (used in) operating activities	**(7,916,013)**	(24,177,584)
Cash Flows from Investing Activities		
Construction in progress	**(194,224)**	(5,167,792)
Proceeds from disposal POSC shares	**3,174,821**	-
Acquisition of property and equipment	**(1,120,857)**	-
Net cash used in investing activities	**1,859,740**	(5,167,792)
Cash Flows from Financing Activities		
Changes in advances from related parties	**-**	(633,588)
Net cash provided by financing activities	**-**	(633,588)
Effect of Changes in Foreign Exchange Rates	**(56,427)**	-
Net Increase (Decrease) in Cash and Cash Equivalents	**(6,056,272)**	(29,978,964)
Cash and Cash Equivalents, beginning	**14,031,107**	48,009,654
Cash and Cash Equivalents, ending	**P7,974,835**	P18,030,690

ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC.
and its SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Three Months Ended March 31	
	2010	2009
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		
Share Capital - P1.00 par		
Authorized 3 billion shares		
Common Shares		
Beginning balance	**2,000,566,014**	2,000,566,014
Additional subscription	**654,529,820**	-
	2,655,095,834	2,000,566,014
Subscription receivable	**(296,082,544)**	(296,082,544)
Paid-up Capital	**2,359,013,290**	1,704,483,470
Shares Held by Subsidiaries	**(159,436,346)**	(103,520,708)
	2,199,576,944	1,600,962,762
Retained Earnings		
Balance at beginning of quarter as previously reported	**457,006,851**	567,239,439
Net Income (Loss)	**8,377,769**	(11,193,660)
Effect of change in ownership structure	**33,598,577**	(66,190,467)
Balance at end of quarter	**498,983,197**	489,855,311
Treasury Stock - shares at cost	**(1,150,790)**	(5,865,000)
MINORITY INTEREST		
Balance at beginning of quarter	**117,883,386**	83,169,303
Net Income (Loss)	**(1,933,128)**	9,058,835
Effect of change in ownership structure	**10,898,762**	39,819
Balance at end of quarter	**126,849,020**	92,267,957
	2,824,258,371	2,177,221,030

Abacus Consolidated Resources & Holdings, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
March 31, 2010

1. Basis of Financial Statement Preparation

The accompanying unaudited consolidated financial statements have been prepared following the same accounting policies and methods as those followed in the preparation of the December 31, 2009 audited financial statements. These statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting.* Accordingly, the unaudited consolidated financial statements do not include all of the information and disclosures required in the December 31, 2009 annual audited consolidated financial statements.

The preparation of the financial statements, in compliance with Philippine Financial Reporting Standards (PFRS), requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying unaudited condensed consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the unaudited condensed consolidated financial statements. Actual results could differ from such estimates.

The unaudited consolidated financial statements include the accounts of Abacus Consolidated Resources and Holdings, Inc. (herein referred to as "the Company) and its subsidiaries collectively referred to as "Group."

The unaudited consolidated financial statements are presented in Philippine pesos (Php).

2. Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements represent the consolidation of the financial statements of Abacus Consolidated Resources and Holdings, Inc. (ACRHI) and the following subsidiaries:

		Effective Percentage of Controlling Interest	
Name of Subsidiaries	**Principal Activities**	**2010**	2009
Subsidiaries of Abacus Consolidated Resources and Holdings, Inc.:			
PRIDE	Investment House	**96.40**	96.40
KPI	Real Estate	**99.99**	-
VRC	Real Estate	**99.99**	-
AbaCoal	Coal and Exploration	**100.00**	100.00
AbaGold	Gold and Exploration	**100.00**	100.00

Subsidiaries of PRIDE:			
Tagapo Realty Company, Inc. (TRC)	Real estate	**96.40**	96.40
Omnicor Industrial Estate and Realty Center, Inc. (Omnicor)	Real estate	**96.40**	96.40
Countrywide Transcapital Development Holdings, Inc. (formerly Countrywide Transcapital Zone Holdings, Inc.)	Holdings	**60.10**	57.84
Philippine International Infrastructure Fund, Inc.	Investment company	**100.00**	100.00
Total Mall Philippines, Inc.	Wholesaler/retailer	**96.40**	96.40
Subsidiaries of TRC:			
Ala-eh Knit, Inc.	Real estate	**96.40**	63.62
Assurance Realty Corporation	Real estate	**96.40**	96.40
Countrywide Leverage Holdings Corporation	Holdings	**96.40**	96.40
In-town Wholesale Marketing, Inc.	Wholesaler/retailer	**96.40**	96.40
System Organization, Inc.	Real estate	**96.40**	96.40
Subsidiaries of Omnicor:			
Montemayor Aggregates and Mining Corporation (MAMCor)	Mining and Exploration	**96.40**	96.40
Adroit Realty Corporation	Real estate	**96.40**	96.40
Allegiance Realty Corporation	Real estate	**96.40**	96.40
Asean Publishers, Inc.	Publisher	**96.40**	96.40
Export Affiliates for Service and Trade, Inc.	Importer/exporter	**96.40**	96.40
Fair Field Realty Estate Company, Inc.	Real estate	**96.40**	96.40
Geyser, Incorporated	Real estate	**-**	96.40
Logic Realty Corporation	Real estate	**96.40**	96.40
Sanctuary Transcendental Havens, Inc.	Non-stock corporation	**100.00**	89.00
Three Fold Realty Corporation	Real estate	**96.40**	96.40
Aerosonic Land, Inc.	Real estate	**100.00**	-
International Pilgrimage Shrine @ Montemaria, Inc.	Non-stock corporation	**100.00**	-
Subsidiaries of MAMCor:			
Asean Traders and Exporters, Inc.	Importer/exporter	**96.40**	96.40
Batangas Stock Development Farms, Inc. (BSDFI)	Real estate	**96.40**	96.40
Channel Minerals & Exploration & Development Corporation	Mining and Exploration	**96.40**	96.40
Subsidiaries of BSDFI:			
Banalo Mining Corporation	Mining	**100.00**	100.00
Calatagan Aquafarms, Inc.	Aqua and fishery	**100.00**	100.00
Him Management and Associates, Inc.	Trading	**100.00**	100.00
Subsidiaries of KPI:			
Aerotropic Land, Inc.	Real Estate	**99.99**	99.99
Barit Resort & International Tour Corporation	Real Estate	**99.99**	99.99
Batangas Beef Business, Inc.	Manufacturing	**99.99**	99.99
Batangas Cement Park, Inc.	Warehousing of Cement, Aggregates, Limestones or their Derivatives	**99.99**	99.99
Candor Realty Corporation (CRC)	Real Estate	**99.99**	99.99
Epulare Properties, Inc.	Real Estate	**99.99**	99.99
Focus Real Estate Corporation	Real Estate	**99.99**	99.99
GMTM Management Company, Inc.	Management Company	**99.99**	99.99

Hedge Tropical Farmlands, Inc.	Real Estate	**99.99**	99.99
Hewdon Land, Inc.	Real Estate	**99.99**	99.99
Hillside Orchards & Parks, Inc.	Agriculture	**99.99**	99.99
JAP Aggregates Network, Inc.	Cement Production	**99.99**	99.99
Pasture View Real Properties, Inc.	Real Estate	**99.99**	99.99
Quilib Cattle Corporation	Real Estate	**99.99**	99.99
Quilib Pasture Estates, Inc.	Real Estate	**99.99**	99.99
Quilib Quality Farms, Inc. (QQFI)	Agriculture	**99.99**	99.99
San Isidro Catholic Memorial Park and Development Corporation	Real Estate	**99.99**	99.99
Vinterra Realty Corporation	Real Estate	**99.99**	99.99
Subsidiaries of VRC:			
Omnilines Maritime Network, Inc.	Maritime Commerce	**99.99**	99.99
Hedge Inter Market Technologist, Inc.	Games Technology	**99.99**	99.99
D r M Development Corp.	Trading	**99.99**	99.99
Friendship Management Corporation	Management of Real Property	**99.99**	99.99
Haves Insurance Management and Liability Agency, Inc. (Haves)	Insurance Agent	**99.99**	99.99
All Lemery Assets Enterprises Holdings, Inc.	Real Estate	**99.99**	99.99
Far Pacific Manufacturing Corp.	Manufacturing	**99.99**	99.99
Munera Real Estate Company, Inc.	Real Estate	**99.99**	99.99
Certain Corporation	Construction	**99.99**	99.99
Manivest Development Corp.	Real Estate	**99.99**	99.99

Financial Instruments

Initial Recognition

Financial assets and financial liabilities are recognized in the balance sheets when the Group becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done at trade date, which is the date on which the Group commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value plus transaction costs except for those designated at fair value through profit or loss (FVPL).

Classification of Financial Instruments

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

As of March 31, 2010 the Group's financial assets consisted only of loans and receivables which are further classified as trade and other receivables, advances to related parties and loans receivable. These are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through amortization process. Unearned discount is recognized as income over the life of the loan using the effective interest method.

The Group does not have FVPL financial liabilities or financial liabilities held for trading. Its only liabilities are those arising from operations or borrowings, and these are further classified as accounts payable and accrued expenses, deposit liabilities, advances from related parties, loans and bills payable, rental deposit payable and income tax payable. These financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Determination of Fair Value

The fair value of financial instruments traded in active markets is based on their quoted market price or dealer price quotation (bid price for long positions and ask price for short positions). When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

If the financial instruments are not listed in an active market, the fair value is determined using appropriate valuation techniques, which include recent arm's length market transactions, net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Financial Assets

- *Cash and Cash Equivalents*

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

- *Financial Assets at FVPL*

  Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition as at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  The Group has no financial asset under this category.

- *Loans and Receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through amortization process. Unearned discount is recognized as income over the life of the loan using the effective interest method.

The Group's trade and other receivables, advances to related parties and loans receivables are included in this category.

- *AFS Investments*

  AFS investments are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. AFS investments are carried at fair value in the consolidated balance sheet. Changes in the fair value of such assets are reported in the equity section of the consolidated balance sheet until the investment is derecognized or the investment is determined to be impaired.

  On derecognition or impairment, the cumulative gain or loss previously reported in equity is transferred to the consolidated statement of operations. Interest earned in holding AFS investments are recognized in the consolidated statement of operations using the effective interest rate method.

  The Group has no financial asset under this category.

Financial Liabilities

- *Financial Liability at FVPL*

  Financial liabilities are classified in this category if these result from trading activities or derivative transactions that are not accounted for as accounting hedges, or when the Group elects to designate a financial liability under this category.

  The Group has no financial liability under this category.

- *Other Financial Liabilities*

  This classification pertains to financial liabilities that are not held for trading or not designated as FVPL upon the inception of the liability. Included in this category are liabilities arising from operations or borrowings.

  The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

  The Group's accounts payable and accrued expenses, deposit liabilities, advances from related parties, loans and bills payable and rental deposit payable are classified under this category.

Derecognition of Financial Instruments
A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when: a) the rights to receive cash flows from the asset have expired; b) 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 c) the Group has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset 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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of operations.

Impairment of Financial Assets

- *Assessment of Impairment*

  The Group assesses at each financial reporting date whether a financial asset or group of financial assets is impaired. It assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

  The determination of impairment losses for financial assets is inherently subjective because it requires material estimates, including the amount and timing of expected recoverable future cash flows. These estimates may change significantly from time to time, depending on available information.

- *Evidence of Impairment*

  Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

- *Impairment on Assets Carried at Amortized Cost*

  If there is objective evidence that an impairment loss has been incurred on an asset carried at amortized cost such as loans and receivables carried at amortized cost, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of loss shall be recognized in the consolidated statement of operations.

- *Impairment on Assets Carried at Cost*

  If there is objective evidence that an impairment loss has been incurred on an asset carried at cost such as an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or of a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Reversal of Impairment Loss

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of operations, to the extent that the carrying value of the asset does not exceed its cost or amortized cost at the reversal date.

Classification of Financial Instruments Between Debt and Equity
Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as an expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial assets to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) 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.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated balance sheet.

Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method/first-in first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments in Associates

An associate is an entity over which the Parent Company has significant influence but has no control and which is neither a subsidiary nor a joint venture.

Investment in an associate is accounted for by the equity method of accounting. Under this method, the investment is initially recognized at cost and adjusted thereafter by post-acquisition changes in the Group's share in the net assets of the associate and any impairment losses. The Group's share of its associate's post-acquisition profits or losses is recognized in the consolidated statements of operations. Share in post-acquisition change in the associate's net asset not recognized in the associate's statement of operations is directly recognized in the Parent Company's equity. Dividends received from the associates are deducted from the carrying amount of the investment.

The Group discontinues applying the equity method when their investments in associates are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations to the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting date of the associate 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.

Joint Venture Transactions

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity, which is subject to joint control, and none of the participating parties has unilateral control over the economic activity.

Assets that the Group controls and liabilities that it incurs in relation to jointly controlled operations are recognized in the Group's consolidated statements of financial position on an accrual basis and classified according to the nature of the item. The Group's share of income that it earns from jointly controlled operations, together with the expenses that it incurs, are included in the Group's consolidated statements of comprehensive income when it is probable that economic benefits associated with the transaction will flow to/from the Group.

Business Combination and Goodwill

Business acquisitions are accounted for using the purchase method of accounting. The cost of acquisition is measured as the fair value of the asset given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any minority interest.

Goodwill acquired in business combination is initially measured at cost as the excess of cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Negative goodwill, which is the excess of the Group's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over cost, is charged directly to income.

Transfers of assets between commonly controlled entities are accounted for under historical cost accounting.

Non-current Assets Held for Sale

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is evident once the asset is available for immediate sale in its present condition subject only to usual and customary terms and its sale is highly probable. High probability of a sale transaction to be consummated involves management's commitment to a plan to sell the asset, an active program to locate a buyer, an active marketing program for a selling price that is reasonable to its current fair value, and the sale should be consummated within one year from the date of classification.

The Group's non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. The Group recognizes impairment loss for any initial or subsequent write-down of the asset to fair value less costs to sell and the Group recognizes a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized.

Investment Property

Initially, investment property is measured at cost including transaction costs. The cost of investment property comprises its purchase price and any directly attributable expenditure.

Subsequent expenditures are recognized as an asset when the expenditures improve the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure is recognized as an expense when incurred.

Subsequent to initial recognition, investment property is stated at fair value, which reflects the market conditions at the financial reporting date. Any gain or loss resulting from either change in the fair value is immediately recognized in the consolidated statement of operations in the year in which it arises.

Investment property is derecognized when it has either been disposed or when they are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of operations in the year of retirement or disposal.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The initial cost of property and equipment is comprised of the purchase price and costs directly attributable to bringing the assets to their intended use.

Subsequent expenditures incurred after the assets have been put into operation are capitalized as additional cost of the assets when the resulting future economic benefit exceeds the originally assessed standard of performance of the asset. All other subsequent expenditures incurred such as repairs and maintenance are recognized in the consolidated statement of operations in the period the costs are incurred.

When assets are sold or retired, their cost, accumulated depreciation and amortization and accumulated impairment losses are eliminated from the accounts and any resulting gain or loss is included in the consolidated statement of operations of such period.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the terms of the lease or estimated useful lives of improvements. The estimated useful lives of the assets and the improvements are as follows:

Building and improvements	- 5 years
Machinery and other equipments	- 3 to 5 years

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

If at revalued amount. Following initial recognition at cost, land and buildings and improvements are carried at revalued amounts which are the fair values at the date of the revaluation, as determined by independent appraisers, less any subsequent accumulated depreciation (on buildings and improvements) and accumulated impairment losses. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the Revaluation Surplus account included in the Equity section of the consolidated statements of financial position. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against Revaluation Surplus. Annually, an amount from the Revaluation Surplus is transferred to Retained Earnings for the depreciation relating to the Revaluation Surplus. Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Revaluations are performed every three years ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the financial reporting date.

Construction-in-Progress

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are transferred to the investment property account or reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the properties for their intended use are completed and the properties are available for service.

Deferred Exploration Costs

Deferred exploration costs are stated at cost less impairment losses, and include deferred exploration costs and other expenses incurred prior to the start of commercial operations, net of incidental income.

Deferred exploration costs are accumulated separately for each area of interest. These include acquisition costs, direct exploration and development costs and an appropriate portion of related overhead expenditures, and exclude general overhead or administrative expenditures not specifically identified with exploration activities.

Deferred exploration costs are carried in the books only if the costs related to an area of interest for which the rights of tenure are current and such are expected to be recouped through successful development and exploration or from sale of the area or exploration and evaluation activities in the area as of financial reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing. Exploration costs, which do not satisfy the above criteria, are recognized in the consolidated statements of comprehensive income.

Revenues earned in connection with the exploration activities in an area of interest prior to the start of commercial operations are offset against the expenditures of such area of interest.

The carrying value of each producing area of interest is reviewed regularly and, to the extent to which this amount exceeds its recoverable amount (based on the higher of the net present value of estimated future net cash flows and current realizable value), an allowance for impairment will be provided in the year in which it is determined.

When further development expenditures are incurred on producing area of interest, such expenditures are capitalized as part of the costs of such area of interest only when substantial economic benefits are thereby established; otherwise, such expenditures are charged to cost of production.

Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the Group makes a formal estimate of the asset's recoverable amount.

The recoverable amount is the higher of an asset's or its cash generating unit's fair value less costs to sell and its value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. 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. For an asset that does not generate cash flows independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Provisions and Contingencies

Provisions are recognized when there is a present legal or constructive obligation 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.

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

Equity

Share capital is determined using the nominal value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the consolidated statements of operations.

Shares held by subsidiaries are recognized at cost. These shares of the Parent Company are owned by the subsidiaries.

Treasury shares are recognized at cost.

Revenue Recognition

Revenue is recognized when the significant risks and rewards of ownership of goods has been transferred to the buyer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognized as the interest accrues on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

The proportionate share in net earnings and losses of the associates is recognized as soon as the basis for the share, which is the audited financial statements of the associates for the current year, becomes available.

Dividend income from investment is recognized when the shareholder's right to receive payment has been established.

Room revenue is recognized based on established room rates and is billed upon check-out of hotel occupants.

Food and beverage revenue is recognized when orders are served.

Interest Expense on Deposit Liabilities and Borrowings

Interest expense on deposit liabilities and borrowings is recognized in the consolidated statements of operations when incurred. It is calculated using the effective interest rate (EIR) method and is credited to the depositors' account regularly.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease receipts are recognized as income in the consolidated statements of operations on straight-line basis over the lease term.

Leases where substantially all the risks and benefits of ownership of the asset do not pass on to the lessee are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statements of operations on straight-line basis over the lease term.

Foreign Exchange Transactions

Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the date on which the transaction took place. Foreign currency denominated assets and liabilities of the Group are translated using the prevailing exchange rate as of financial reporting date. Gains or losses arising from these transactions and translation are credited or charged to income for the year.

Income Tax

Current income tax assets and liabilities for the current and the 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 substantively enacted at the financial reporting date.

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

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and NOLCO can be utilized.
The carrying amount of deferred income tax assets is reviewed at each financial reporting 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 asset to be utilized.
Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net income or loss for the period by the weighted average number of shares outstanding during the period, net of shares held by the subsidiaries, after giving retroactive effect to any stock dividend declared during the year.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Related Parties

Parties are considered 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.

Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties.

3. Cash and Cash Equivalents

	March 2010	Dec. 2009
Cash on hand	**P16,500**	P340,591
Cash in bank		
Peso deposits	**7,803,009**	13,531,727
Foreign-currency denominated deposits		
-in foreign currency	**US$3,439**	US$3,437
-equivalent in Philippine peso	**P155,326**	P158,789
Total cash in bank	**P7,958,335**	P13,690,516
Total cash and cash equivalents	**P7,974,835**	P14,031,107

The US dollar-denominated cash in bank was translated at P45.17 and P46.20 to $1 at March 31, 2010 and December 31, 2009, respectively.

Cash in banks earns interest based on the banks' daily average deposit rates. Cash in banks includes short-term placements.

4. Trade and Other Receivables

	March 2010	Dec. 2009
Trade	**P879,643**	P 876,758
Advances to officers and employees	**435,624**	471,520
Others	**10,603,450**	10,869,315
	P11,918,717	P12,217,593

5. Investments in Associates

These pertain to the investments in Pacific Online Systems Corporation (POSC), Abacus Global Technovisions, Inc. (AbaGT) and Pride Star Development Bank, Inc. (PSDBI – formerly Rural Bank of Batangas, Inc.), which are accounted for using the equity method. The details of the Group's ownership in these entities are as follows:

		Percentage of Ownership			
		March 2010		Dec. 2009	
	Principal Activities	Direct	Indirect	Direct	Indirect
POSC	Gaming	**16.69%**	**1.39%**	18.97%	0.03%
AbaGT	Holding	**9.64%**	**3.59%**	9.64%	3.59%
PSDBI	Banking	**-**	**40.00%**	-	40.00%

Account balance:

	March 2010	Dec. 2009
POSC, liste in the PSE	**P533,216,099**	P520,454,982
AbaGT, not listed	**42,812,974**	42,836,457
PSBI, not listed	**21,033,690**	20,633,048
	P597,062,763	P583,924,487

6. Related Party Transactions

Advances to related parties

	Nature of Relationship	**March 2010**	Dec. 2009
AbaGT	Associate	**P57,373,164**	P56,800,255
BSDHI	Parent	**49,434,546**	52,518,814
Hedge Integrated Mgt	Common directorship	**13,139,060**	13,139,060
Geyser, Inc.	Common directorship	**4,980,928**	4,980,928
Click	Common directorship	**3,861,425**	3,861,425
		P128,789,123	P131,300,482

7. Accounts Payable and Accrued Expenses

	March 2010	Dec. 2009
Trade	**P9,957,450**	P11,354,815
Accruals	**7,663,735**	7,660,607
Others	**2,946,230**	2,625,074
	P20,567,415	P21,640,496

8. Loans Payable

	March 2010	Dec. 2009
Omnicor loan	**P47,400,000**	P47,400,000

ACRHI loan	**20,000,000**	20,000,000
CTDHI loan	**2,629,820**	2,689,787
	P70,029,820	P70,089,787

9. Aging of Accounts Receivable as of March 31, 2010

	TOTAL	1-3 Mos.	4-6 Mos.	7 Mos. to 1 Year	Past due accounts & items in Litigation
Type of Accounts Receivable					
A) Related Party Transactions					
AbaGT	P57,373,164	573,928		P56,799,236	
BSDF	49,434,546	239,164	2,245,799	46,949,583	
Hedge Integrated Mgt.	13,139,060		6,398,000	6,741,060	
Geyser, Inc.	4,980,928			4,980,928	
Click	3,861,425			3,861,425	
Net Related Party Transactions	**P128,789,123**	**P813,092**	**P8,643,799**	**P119,332,232**	
B) Trade and other Receivables					
Advances to officers & employees	P435,624			P435,624	
Others	11,483,093			11,483,093	
Total	**P11,918,717**			**P11,918,717**	
Less: Allowance for Doubtful Accounts					
Net Non-trade receivables					
Net Receivables	**P140,707,840**				

Accounts Receivable Description

Type of Receivable	Nature /Description	Collection period
a) Related party transactions	This represents non-interest bearing cash advances made to affiliates for working capital requirements	3 to 5 years
b) Non-trade receivables	This represents interest bearing cash advances made to affiliates for working capital requirements and non-interest bearing advances made to employees.	1 year

10. Financial Risk Management

The Group is exposed to variety of financial risks, which result from its operating, financing and investing activities. The Group's principal financial instruments comprise of cash and cash equivalents, loans receivable, deposit liabilities, loans and bills payable and advances to and from related parties. The main purpose of these financial instruments is to earn income and raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and accounts payables and accrued expenses, which arise directly from operations.

The Group's financial risk management policies and guidelines cover credit risk, interest rate risk, liquidity risk and market risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's financial position and results of operations. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group is mainly exposed to credit risk through its trade and other receivables, loans receivable and advances to related parties. The Group, from time to time, grants advances to related parties. However, it monitors the balances of advances and collects them promptly.

The details of the Group's maximum exposure to credit risk as of March 31, 2010 and December 31, 2009 are as follows:

	March 2010	Dec. 2009
Trade and other receivables	**P11,918,717**	P12,217,593
Advances to related parties	**128,789,123**	131,300,482
	P140,707,840	P143,518,075

The details of the Group's aging analyses of financial assets as of March 31, 2010 and December 31, 2009 are as follows:

March 31, 2010	**Total**	**Neither past due nor impaired**	**Past due but not impaired** ≤30 days	**31 – 90 days**	**91 – 180 days**	**181 – 360 days**	**1 – 3 years**	**< 3 years but not impaired**	**Impaired**
Advances to related parties	P128,789,123	P119,332,232	P-	P813,092	P8,643,799	P-	P-	P-	P-
Trade and other receivables	11,918,717	10,295,755				1,322,962	300,000		
	P140,707,840	**P129,627,987**	**P-**	**P813,092**	**P8,643,799**	**P1,322,962**	**P300,000**	**P-**	**P-**

December 31, 2009	**Total**	**Neither past due nor impaired**	**Past due but not impaired** ≤30 days	**31 – 90 days**	**91 – 180 days**	**181 – 360 days**	**1 – 3 years**	**< 3 years but not impaired**	**Impaired**
Advances to related parties	P131,300,482	P131,300,482	P-	P-	P-	P-	P-	P-	P-
Trade and other receivables	12,217,593	10,449,280	145,351	-	1,226,667	96,295	300,000		
	P143,518,075	P141,749,762	P145,351	P-	P1,226,667	P96,295	P300,000	**P-**	**P-**

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to long-term debt obligations. So far, the Group's policy is to obtain fixed-rate bank obligations, with the corresponding fair value interest rate risk. The details of the Group's financial instruments that are exposed to interest rate risk are given in Note 8 and in the table below (under "liquidity risk").

Liquidity Risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group is mainly exposed to liquidity risk through its maturing liabilities. The Group has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The details of the Group's maturity analyses as of March 31, 2010 and December 31, 2009 are as follows:

		Maturing in				
March 31, 2010	**Total**	**on demand up to one month**	**1 to 3 months**	**3 months to one year**	**More than 1 year to 5 years**	**More than 5 Years**
Accounts payable and accrued expenses	P20,567,415	P7,441,143	P-	P11,354,815	P1,771,457	P-
Deposit for the sale of investment in Abacoal	30,000,000			30,000,000		
Advances from joint venture	9,500,000				9,500,000	
Loans payable	70,029,820	2,629,820			67,400,000	
	P130,097,235	**P10,070,963**	**P-**	**P41,354,815**	**P78,671,457**	**P-**

		Maturing in				
December 31, 2009	**Total**	**on demand up to one month**	**1 to 3 months**	**3 months to one year**	**More than 1 year to 5 years**	**More than 5 Years**
Accounts payable and accrued expenses	P21,640,496	P7,660,607	P-	P11,011,806	P1,771,457	P-
Deposit for the sale of investment in Abacoal	30,000,000	-	-	30,000,000		-
Advances from joint venture	9,500,000				9,500,000	
Loans payable	70,089,787	2,689,787	-	-	67,400,000	-
	P131,230,283	P10,350,394	**P-**	P41,011,806	P78,671,457	**P-**

Capital Risk Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The Parent Company's BOD and management have overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the

Group's external environment and the risks underlying the Group's business operations and industry.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and accrued expenses, loans payable, rental deposit payable, bills payable, income tax payable, advances from related parties and deferred tax liability. The Group reports its total equity as the capital it manages. This comprises all components of equity including share capital, retained earnings and minority interest. The Group's equity amounts to P2,824,258,371 and P2,817,832,029 as of March 31, 2010 and December 31, 2009, respectively.

There are no changes in the Group's approach to capital management during the year.

The Group is not subject to statutory capital requirement except for PRIDE and RBBI which are subject to minimum capital requirements. PRIDE is in compliance with the statutory minimum capital requirement of P300 million set by the Investment House Law. RBBI is in compliance with the minimum capital requirement of P8 million set by the BSP.

11. Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of the Company's financial assets and liabilities as of March 31, 2010 and December 31, 2009:

	March 2010		Dec. 2009	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	**P7,974,835**	**P7,974,835**	P14,031,107	P14,031,107
Trade and other receivables	**11,918,717**	**11,918,717**	12,217,593	12,217,593
Advances to related parties	**128,789,123**	**128,789,123**	131,300,482	131,300,482
	P148,682,675	**P148,682,675**	P157,549,182	P157,549,182

	March 2010		Dec. 2009	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial Liabilities				
Accounts payable and accrued expenses	**P20,567,415**	**P20,567,415**	P21,640,496	P21,640,496
Advances from heads of agreement	**30,000,000**	**30,000,000**	30,000,000	30,000,000
Advances from joint venture	**9,500,000**	**9,500,000**	9,500,000	9,500,000
Loans payable	**70,029,820**	**70,029,820**	70,089,787	70,089,787
Rental deposit payable	**120,712**	**120,712**	120,712	120,712
	P130,217,947	**P130,217,947**	P131,350,995	P131,350,995

12. Segment Information

Business Segments

For management purposes, the Group is organized into four business segments – holding company, real estate business, financial services and hotel. These are also the basis of the Group in reporting its primary segment information.

The holding company segments primary engages in purchases, own, hold, transfer, or dispose or real properties of every kind and description, including shares of stocks and other securities, contracts or obligations of any corporation or association.

The real estate segment includes purchases of land for appreciation.

The financial services segment is involved in the accumulation of deposits and extension of rural credits to small farmers and tenants and to deserving rural industries or enterprises.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivable and property, plant and equipment, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Inter-segment transactions

Segment revenues, expenses and performance include revenue and expenses between business segments. Such revenues and expenses are eliminated in consolidation.

The operating results and financial condition of the Group classified by segment are given in the enclosed table.

13. Other notes to 1Q Operations and Financials

a. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents

Please see nos. 3-9 and 11 above.

b. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period

None.

c. Issuances, repurchases, and repayments of debt and equity securities

Please see no. 8 above.

d. Dividends paid (aggregate or per share) separately for ordinary shares and other shares

None.

e. Segment revenue and segment results for business segments or geographical segments

Please see no. 12 above and the enclosed table.

f. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

None.

g. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

The registration of the transfer of the shares of Abacus Coal Exploration and Development Corporation to Lodestar Investment Holdings, Inc. is still pending completion.

h. Changes in contingent liabilities or contingent assets since the last annual balance sheet date

None.

g. Other material events or transactions during the interim period

None.

Business Segments

	Holding		Real Estate		Others		*Eliminations*		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
Revenue										
External revenue	**P15,966,454**	P11,873,638	**P33,061**	P47,368	**P377,841**	P249,485	**P-**	P-	**P16,377,356**	P12,170,491
Total Sales	**P15,966,454**	P11,873,638	**P33,061**	P47,368	**P377,841**	P249,485	**P-**	P-	**P16,377,356**	P12,170,491
Results										
Segment results	**(P4,369,771)**	(P6,154,956)	**(P2,933,926)**	(P3,809,037)	**(P1,546,282)**	(P4,714,871)	**P-**	P-	**(P8,849,978)**	(P14,678,864)
Share in net earnings (loss) of associates	**14,894,151**	12,548,904	**(9,778)**	-	**410,246**	-	**-**	-	**15,294,619**	12,548,904
Provision for (benefit from) income tax	**-**	4,866	**-**	-	**-**	-	**-**	-	**-**	4,866
Net Income (Loss)	**P10,524,380**	P6,389,082	**(P2,943,703)**	(P3,809,037)	**(P1,136,036)**	(P4,714,871)	**P-**	P-	**P6,444,641**	(P2,134,826)
Assets										
Operating assets	**P498,945,675**	P92,577,864	**P1,309,540,032**	P1,211,617,666	**P1,141,947,162**	P875,471,395	**(P159,503,744)**	(P149,732,168)	**P2,790,929,124**	P2,029,934,757
Advances to related parties	**304,929,387**	208,783,670	**164,300,639**	190,931,033	**66,116,327**	54,661,092	**(406,557,230)**	(337,991,267)	**128,789,123**	116,384,528
Investment in associates	**2,326,689,233**	1,642,719,494	**287,257,124**	77,409,105	**405,758,990**	403,396,184	**(2,422,642,584)**	(1,571,225,991)	**597,062,763**	552,298,792
Other Assets	**30,442**	30,442	**1,002,354**	823,577	**295,943**	302,372	**-**	-	**1,328,739**	1,156,392
Total Assets	**P3,130,594,737**	P1,944,111,470	**P1,762,100,148**	P1,480,781,381	**P1,614,118,422**	P1,333,831,044	**(P2,988,703,558)**	(P2,058,949,426)	**P3,518,109,749**	P2,699,774,469
Liabilities										
Operating liabilities	**P40,297,831**	P25,533,541	**P4,059,778**	P605,545	**P15,830,518**	P22,829,252	**P0**	(P4,980,202)	**P60,188,128**	P43,988,136
Advances from related parties	**20,715,164**	22,935,186	**370,156,142**	140,097,574	**131,081,908**	173,523,138	**(521,953,213)**	(336,502,994)	**-**	52,904
Loans payable	**22,629,820**	42,047,100	**47,400,000**	-	**-**	-	**-**	-	**70,029,820**	42,047,100
Income tax payable	**8,119**	4,866	**774**	-	**5,280**	11,806	**-**	-	**14,174**	16,672
Deferred tax liability	**2,013,707**	2,013,707	**300,242,077**	317,790,301	**264,396,704**	116,644,620	**(3,033,230)**	-	**563,619,257**	436,448,627
Total Liabilities	**P85,664,641**	P92,534,400	**P721,858,771**	P458,493,420	**P411,314,409**	P313,008,815	**(P524,986,443)**	(P341,483,196)	**P693,851,378**	P522,553,439
Depreciation	**P16,128**	P59,067	**P279,963-**	P-	**P31,829**	P55,019	**P-**	P-	**P327,919-**	P114,087-