

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Ronna C. De Leon

Contact Person

804-1977/804-1978

Company Telephone Number

SEC FORM 17Q

FORM TYPE

1	2
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Month

3	1
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Day

Fiscal Year

(last Friday of May)

0	5
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Month

3	0
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Day

Annual Meeting

Not Applicable

0Secondary License Type, If Applicable

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Dept Requiring this Doc

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Amended Articles Number / Section

Total Amount of Borrowings

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

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STAMPS

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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 **June 30, 2014**
2. SEC Identification Number **ASO92-06441** 3. BIR Tax Identification No. **001-945-016**
4. Exact name of issuer as specified in its charter **SOUTH CHINA RESOURCES, INC.**
5. **Not Applicable** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **ENZO Bldg. Senator Gil Puyat Avenue**
Makati City **1200**
Address of principal office Postal Code
8. **(632) 804-1977 / 804-1978**
Issuer's telephone number, including area code
9. **3F Low Rise Pacific Star Building Gil Puyat Avenue cor Makati Ave, Makati City 1200**
Former name, former address and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sec. 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|----------------------|--|
| Common Shares | 901,920,568 |

11. Are any or all of these securities listed on a Stock Exchange?

Yes [☒] No [☐]

If yes, state the name of such stock exchange and the class/es of securities listed therein:

Name of Stock Exchange
Philippine Stock Exchange

Class of Securities listed
U

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 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 issuer 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 1 – FINANCIAL INFORMATION

Item 1: Financial Statements

Financial Report

- a) The accompanying interim financial statements are prepared in accordance with the Philippine Financial Reporting Standards (PFRS).
- b) There were no changes made in the accounting policies and methods of computation as compared with the last annual financial statements.
- c) Quarterly financial statements are prepared for the interim operations for the updated information of the stockholders and basis for the decision making of the management.
- d) For this interim period, the Company has no unusual transactions or had encountered events that affect materially its assets, liabilities, equity, net income or cash flows.
- e) The Company did not report in its financial statements any estimates of amount of a given transactions for this interim period and in prior interim periods.
- f) There were no issuances, repurchases, and repayments of debt securities for this interim period.
- g) There are no 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.
- h) The Company has no contingent assets or liabilities since the last annual balance sheet date.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS

South China Resources, Inc. (South China) was incorporated and registered with the SEC on September 25, 1992 primarily to undertake oil and gas exploration, development and production and became one of the leading exploration companies upon its listing in 1994. Starting in 1995, South China opted to strengthen its core business by diversifying then into other investments which after two decades the company has now turned out to be one of the strongest holding companies in the market having had investments in real estate, steel fabrication, banking, telecommunications and energy exploration. The company is debt free and has a robust balance sheet.

The diversification process, brought on by the financial crisis of the 90's, has honed through the years and allowed South China to invest in technology based and long-term ventures. This gave the company the means to weather the lows of the period. One of the first and significant investments was the acquisition and sale of Bell Telecommunications Philippines, Inc., the acquisition and subsequent sale of Filipinas Plaza along EDSA corner Chino Roces Avenue and minority equity in Premiere Development Bank. The Securities and Exchange Commission, on October 30, 2003, approved the amendment of the Company's Articles of Incorporation to change the primary purpose thereof to that of a holding company and to include its then primary purpose of oil exploration as among the secondary purposes of the Company. The Company continued to maintain its exploration activities.

Belltel (Bell Telecommunications Philippines, Inc.) was a pioneering telco that has the second of only two nationwide telecommunications franchises in the country. It delivered state-of-the-art converged communications solutions to leading educational institutions, corporate clients, government agencies and high-end residential buildings. With its broad wireless network, it became an attractive asset that was pursued by a corporation for acquisition and integration into their telecommunications business. On December 18, 2009, the Company sold to Two Cassandra-CCI Conglomerates, Inc. the Company's Investment in Bell Telecommunication Philippines, Inc.

The Filipinas Plaza building was a prime investment situated along the major gateway road to Makati. An MRT station was located in front of the property enabling direct access to pedestrian traffic to the building complex. This development enhanced the attractiveness of the investment that allowed for its sale in 2008.

The sale of Filipinas Plaza and BellTel gave the company the influx of funds for re-investment and following the proven model of acquisition and sale of significant assets, South China acquired position in AGP International Inc in December 2010 which in turn gained control of AG&P Manila. AG&P Manila is one of the oldest and largest steel fabrication companies in the country with the unchallenged capability in modular fabrication. Its recent achievement was a first time ever in the world, the construction of a modularized coker plant for an oil refinery, fabricated and shipped from its shipyard in Bauan, Batangas. These colossal structures towered as much as 10 stories high and weighed 1500 to 2500 tons each, were shipped on special large-hold ships that traversed the Panama Canal on its way to Lake Erie. AG&P was supposedly a long term investment however management was able to identify an opportunity which allowed for a shorter turn-around time in recouping this investment. This allowed for recoup of the investment and make a good return in what would have taken the company more than several years at the very least following the usual course of investment and dividend sharing. On January 31, 2012, the company sold its AGP shares at a good profit.

Premier Bank on the other hand expanded to almost 40 branches after the company acquired its shares. It became one of the most stable small banks that it became an attractive target for acquisition by a much larger bank. The sale of this asset was concluded with the approval of the sale by the Monetary Board.

Following the successful sale of the Filipinas Plaza and in response to the growing need for affordable housing for Filipinos, South China has followed on through the real estate business by acquiring a 2.4 hectare plot in Buli, Muntinlupa strategically located along the South Luzon Expressway. On May 26, 2010, the Board of Directors in a special meeting, adopted a resolution authorizing the purchase by the Company of a 24,022.90 sq.m. parcel of land located at the East Service Road of South Superhighway, Brgy. Buli, Muntinlupa City, Metro Manila at a purchase price of P312,298,000.00.

The government estimates the country's housing backlog at almost 4 million. There lies the opportunity for South China to serve a basic need of Filipinos. It has formed through SOC Land Development Corporation (SOC Land), a wholly owned subsidiary, that will put up quality homes at affordable prices. The Board of Directors, at its special meeting held November 11, 2010, directed Management to cause the registration with the Securities and Exchange Commission of SOC Land Development Corporation (SOC Land) as a wholly-owned subsidiary of the issuer with an authorized capital stock of One Hundred Sixty Million Pesos (PHP 160,000,000.00), a subscribed capital stock of Forty Million Pesos (PHP 40,000,000.00) and a paid-up capital of Ten Million Pesos (PHP 10,000,000.00). The subsidiary will be the property development arm of the company, that will develop a 2.4-hectare community, called Anuva Residences (the Project), situated near Sucat Interchange. It will have four (4) tandem buildings, with the first building targeted to be completed by mid 2014. The total estimated cost of the Project is ₱2.0 billion and is targeted for completion within five (5) years from the start of its construction. On July 12, 2011, the groundbreaking ceremony for the Project was held and construction for the Project's Tandem Building 1 commenced thereafter. The medium rise complex offers amenities usually found only in high-end residential like a resort themed community including spacious clubhouse, a resort-type lazy river feature, jogging paths, bike trails, playgrounds in every corner, including a yoga deck, and a tree house. The property will house only 4 tandem buildings thereby preserving 80% of its open space for the general benefit of future residents.

It can be seen that in the two decades that passed, South China transformed from a purely exploration play to an investment company. Even with varied interests, its exploration business was kept on by partnering with the biggest and the best in the oil exploration business, the likes of Occidental Petroleum, ARCO, UNOCAL, Murphy Oil, Philippine National Oil Company, Tap Oil, Shell and KUFPEC resulting in participation in close to \$200 million worth of work program and saw the acquisition of thousands of kilometers of new seismic and the drilling of 8 wells.

Oil exploration is a high risk, high reward endeavor which the company was involved in by exploring frontier areas where data constraints and costs are relatively lower as against areas that have substantial exploration consideration. Towards the end of the first decade of the second millennium the price of oil as well as the expenses for exploration went through unprecedented levels and had been a veritable roller coaster in costs. However the costs of exploration did not tracked down with respect to the downturn of oil prices and remained much higher than expected specially in this part of the Asia-Pacific region. The Company's Board taking into consideration the aforementioned, decided to refocus the Company's efforts to businesses that are more stable and carry less risk yet can still provide for significant growth for the company. Even with this development, South China will continue to search for energy through other avenues.

South China has identified two new areas for potential investment which it is investigating. To address a growing population, now estimated at 97 million Filipinos and increasing every year, it looks at food production. The Company believes that a rising population coupled with rising incomes will drive greater protein consumption. Opportunities have

been identified to get in this value chain to grow a long term business that will allow expansion laterally and vertically. The Company is currently identifying large tracts of land suitable for agro-industrial development.

The country needs both conventional and renewable energy resources to address its power requirements. South China also shifted its focus towards renewables while keeping in line with its energy thrust. Renewables do tackle the issue of climate change, a stark fact that affects all in the world and every little help contributes to the overall effort to stave off this phenomenon. Some renewables however are still in their infancy and therefore cannot provide for the efficiencies and reliability needed for sustainable energy. South China is investigating renewable energy resources, hydropower and geothermal, that can provide for base load power that is sustainable for the long term and therefore provide for a steady income stream for the company.

Principal products or services and their distribution; competition in the industry; sourcing of raw materials and principal suppliers; dependence on one or few customers; transactions with and/or related parties; and patents, trademarks, licenses, franchises, concessions, royalty agreement, or labor contracts are not applicable with the registrant at this time.

The Company's subsidiary is SOC Land Development Corporation as of period ending June 30, 2014.

The Company does not expect any significant changes in its number of employees. Presently, the Company has a total of six (6) officers and employees, all working full-time, one (1) Chairman, one (1) Vice-President for Operations, one (1) Vice-President for Finance, one (1) Chief Accountant, one (1) Accounting Assistant and one (1) Messenger. The Company has no Collective Bargaining Agreements (CBA).

CONSOLIDATED RESULTS OF OPERATIONS

Financial Highlights

(In PHP)

(Consolidated)

FOR THE PERIOD ENDED JUNE 30,2014 & JUNE 30,2013

ACCOUNTS	6/30/2014	6/30/2013	% CHANGE
REVENUES	36,782,347	40,223,022	-8.55%
COST AND EXPENSES	42,188,400	37,765,403	11.71%
INCOME LOSS BEFORE INCOME TAX	(5,406,053)	2,457,619	-319.97%
PROVISION FOR INCOME TAX	5,906,579	125,433	4608.93%
NET INCOME/(LOSS)	(11,312,632)	2,332,185	-585.07%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	(22,588,709)	(1,834,968)	-1131.01%
TOTAL COMPREHENSIVE INCOME/(LOSS)	(33,901,341)	497,218	-6918.21%

2014 VS 2013: RESULTS OF OPERATIONS

Revenue for the period ending June 30, 2014 consists of gain on sale of Available for Sale Financial Assets of the parent company amounting to ₱24.5M. These are gain from sale of foreign and domestic shares of stocks and foreign bonds. Dividend Income of ₱0.92M from foreign holdings of shares of stocks and ₱0.27M from domestic shares. The Philippine Peso has slightly grew weaker against US Dollar resulting to foreign exchange gain of ₱1.7M. Other income amounting to ₱3.3M represents penalties on late payments and forfeiture of the payments on the cancelled accounts who had voluntarily backed out or due to non-payment of downpayments. The difference on the revenue for the two period under report is attributable to the foreign exchange gain and the gain on sale of AFS. The decline in earnings on interest income was due to the the retirement of various placements on time deposits last year 2013 to finance cash requirements of the subsidiary.

FOR THE PERIOD ENDED JUNE 30,2013 & JUNE 30,2012

ACCOUNTS	6/30/2013	6/30/2012	% CHANGE
REVENUES	40,223,022	169,745,601	-76.30%
COST AND EXPENSES	37,765,403	69,833,916	-45.92%
GAIN ON SALE OF NONCURRENT ASSET HELD FOR SALE		32,153,046	-100.00%
INCOME LOSS BEFORE INCOME TAX	2,457,619	132,064,731	-98.14%
PROVISION FOR INCOME TAX	125,433	4,797,369	-97.39%
NET INCOME/(LOSS)	2,332,185	127,267,362	-98.17%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	(1,834,968)	(12,496,093)	85.32%
TOTAL COMPREHENSIVE INCOME/(LOSS)	497,218	114,771,268	-99.57%

2013 VS 2012: RESULTS OF OPERATIONS

The group generated a positive bottomline figure for the first semester of 2013 giving credit for the gain reaped on the sale of financial assets, 81% of which pertains to domestic shares of stocks. There has been an outstanding increase in the net gains of AFS financial assets due to the remarkably higher market value of equity holdings. The bulk of revenue as of second quarter ending last year pertains to the sale 26,086,957 Series A Preferred shares of AGP International at \$0.40 cents per share. The revenue as of the 2nd quarter of 2013 consists of ₱6.9 gain on sale of AFS financial assets, interest income in time deposits amounting to ₱4.06M, interest income from foreign bonds ₱2.3M, dividend income of ₱2.5M from foreign and domestic stocks.

CONSOLIDATED FINANCIAL POSITION**Financial Highlights****(in PHP)****(Consolidated)****FOR THE PERIOD ENDED JUNE 30, 2014 & JUNE 30,2013:**

ACCOUNTS	6/30/2014	6/30/2013	% CHANGE
CURRENT ASSETS	1,650,136,433	1,443,490,014	14.32%
NONCURRENT ASSETS	193,104,426	387,122,756	-50.12%
TOTAL ASSETS	1,843,240,859	1,830,612,770	0.69%
CURRENT LIABILITIES	178,564,560	126,750,217	40.88%
NONCURRENT LIABILITIES	2,961,336	1,322,249	123.96%
TOTAL LIABILITIES	181,525,896	128,072,466	41.74%
EQUITY	1,661,714,964	1,702,540,304	-2.40%
TOTAL LIABILITIES AND EQUITY	1,843,240,859	1,830,612,770	0.69%

2014 VS 2013: FINANCIAL CONDITION

There 0.69% increase in the consolidated assets by the group as of the period ended June 30, 2014 vis a vis June 30,2013 was due to the (1)increase in the installment contract receivable which is a carry-over of the accounts recognized as sales in 2013 based on the revenue recognition policy of the Company; (2) Real Estate for Sale - the building construction was on full blast this year 2014; and (3) Other current assets which includes the VAT on the transfer of land to SOC Land from South China and input taxes on the payments to suppliers and contractors. The increase in the liabilities pertains to the customers advances and deposits and liabilities to suppliers for the construction of the building. As of the period ending June 30, 2014, the company has no balance on its Deferred Tax Liability due to the sale of all of its foreign equity holdings and foreign bonds. The decrease in total equity is due to the increase in treasury shares acquired by the company and the decrease in Retained Earnings.

CONSOLIDATED FINANCIAL POSITION
Financial Highlights
(in PHP)
(Consolidated)

FOR THE PERIOD ENDED JUNE 30, 2013 & JUNE 30,2012:

ACCOUNTS	6/30/2013	6/30/2012	% CHANGE
CURRENT ASSETS	1,443,490,014	1,454,688,244	-0.77%
NONCURRENT ASSETS	387,122,756	304,335,763	27.20%
TOTAL ASSETS	1,830,612,770	1,759,024,007	4.07%
CURRENT LIABILITIES	126,750,217	44,497,197	184.85%
NONCURRENT LIABILITIES	1,322,249		100.00%
TOTAL LIABILITIES	128,072,466	44,497,197	187.82%
EQUITY	1,702,540,304	1,714,526,810	-0.70%
TOTAL LIABILITIES AND EQUITY	1,830,612,771	1,759,024,007	4.07%

2013 VS 2012: FINANCIAL CONDITION

There has been a 4.07% increase in the consolidated assets by the group as of the period ended June 30, 2013 vis a vis June 30,2012 propelled by the increase in market value of available for sale financial assets constituting the bulk of non current assets . The group continues to exhibit robust financial condition with its liabilities constituting a little portion of 6% out of its total assets. Liabilities are composed mostly of customers advances and deposits. Cash & Cash Equivalents makes up for the 43% of the total assets that can support its various investment ventures and plans for the year.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the six months ended June 30, 2014 and June 30, 2013 .

	KEY FINANCIAL RATIOS	6/30/2014	6/30/2013
I.	Current/Liquidity Ratios	9.24 x	11.39 x
II.	Solvency Ratio	N/A	2.74%
III.	Debt-to-equity ratio (in x)	0.1075 x	0.0744 x
IV.	Asset to Equity Ratio	1.1092 x	1.0752 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity	N/A	0.14%
	Return on Assets	N/A	0.13%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	-8.55%	-76.30%
	Net Income Growth/ (Decline)	-585.07%	-98.17%
	EBITDA	(10,044,896)	Php 3,473,104

The decrease in cash and cash equivalents due to cash requirements of the subsidiary, SOC Land as well as the increase in current liabilities has caused the decrease in current ratio from 11.39x to 9.24x as of period ending June 30, 2014. There has been an increase on its asset to equity ratio due to the increase on its noncurrent assets particularly the Real Estate for

development account. The revenue growth has showed a decline of 8.55% mainly due to the decrease in the net interest income earned and the foreign exchange gain despite the increase on gain on sale of AFS Financial Asset and a slight increase on total realized gross profit.

The manner by which the Company calculates the foregoing indicators is as follows:

Key Financial Ratios	Formula
Revenue growth	$(\text{Total Revenues (current period)} - \text{Total Revenues (prior period)}) / \text{Total Revenues (prior period)}$
Net income growth	$\text{Net Income (after tax) (current period)} / \text{Net income (prior period, after tax)}$
Solvency Ratio	$(\text{After Tax Net Income} + \text{Depreciation}) / \text{Total Liabilities}$
EBITDA	Income from operations plus depreciation and amortization
Asset to Equity Ratio	$\text{Total Assets} / \text{Total Equity}$
Return on equity (ROE)	$\text{Net income} / \text{Equity}$
Return on assets (ROA)	$\text{Net income} / \text{Total Assets}$
Current/Liquidity ratio	$\text{Current Assets} / \text{Current Liabilities}$
Debt-to-equity ratio	$\text{Total Liabilities} / \text{Equity}$

The Company has NO earnings yet from commercial production. Therefore, there were NO dividends declared for the period ended June 30, 2014.

There are no material trends, events or uncertainties that are reasonably expected to occur in the next interim period that will have a material favorable or unfavorable impact on the results of the Company's liquidity or sales.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or accumulation of an obligation.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The Company's cash requirement is provided by the management. There is no foreseen increase in funds for the next twelve months however the need should arises, the management will satisfy such cash requirements.

There is no expected purchase or sale of plant and significant equipment in the next twelve months.

For the period ended June 30, 2014, the Company still has no commercial production yet that will enable to support its dividend declaration. It has one wholly owned subsidiary, SOCLand Development Corporation.

The material changes for this year in comparison with the prior year-end based on line items in the comparative financial statements as of June 30, 2014, 2013 and 2012 are summarized as follows:

ACCOUNTS <i>In Millions</i>	For the Period Ended June 30			% CHANGE	
	2014	2013	2012	2014 vs 2013	2013 vs 2012
Statement of Financial Position					
Cash & Cash Equivalents	319.32	524.69	784.24	-39.14%	-33.10%
Accounts Receivables	7.75	16.33	38.22	-52.53%	-57.26%
Installment Contract Receivable	59.91	26.33	18.73	127.52%	40.60%
Real Estate for Sale	1,093.44	785.26	511.37	39.25%	53.56%
Due from Related Parties	20.55	22.44	67.12	-8.38%	-66.57%
Prepayments & Other Current Assets	149.16	68.44	35.01	117.94%	95.49%
Real Estate for Development	119.74	-	-	100.00%	-100.00%
Investment in Bonds	-	-	86.37	-100.00%	-100.00%
Available for Sale Investment	40.77	317.92	193.09	-87.18%	64.65%
Property & Equipment	16.27	18.41	20.75	-11.63%	-11.28%
Other Noncurrent Assets	16.33	50.79	4.13	-67.86%	1130.82%
Accounts Payable & other Liabilities	99.42	59.23	26.77	67.86%	121.29%
Customers' Deposit & Advances	78.39	47.19	13.32	66.12%	254.19%
Income Taxes Payable	0.75	0.06	-	1199.97%	100.00%
Deferred Tax Liabilities	-	1.32	-	-100.00%	-
Unrealized Valuation on AFS	1.66	16.66	(0.86)	-90.06%	-2026.79%
Retained Earnings - Unappropriated	415.64	438.93	466.74	-5.31%	-5.96%
Treasury Stocks	(4.96)	(2.34)	(0.63)	112.22%	272.05%
Statement of Comprehensive Income					
REVENUES					
Gain on Sale of Financial Assets	24.53	6.19	152.31	296.20%	-95.94%
Interest Income	2.18	8.03	12.50	-72.91%	-35.75%
Real Estate Sales	11.25	9.72	32.44	15.75%	-70.03%
Dividend Income	1.19	2.43	1.6879	-50.86%	43.81%
Gain on Sale of HTM Investments	-	-	-	-100.00%	-100.00%
Foreign Exchange Gain - net	1.67	18.79	0.5280	-91.12%	3459.03%
COST AND EXPENSES					
Cost of Real Estate Sold	7.34	6.64	25.41	10.52%	-73.88%
Sales, General and Administrative Expenses	42.19	37.77	69.83	11.71%	-45.92%
Equity in Net Losses of an Associates	-	-	-	-100.00%	-100.00%
Provision for Income Tax	5.91	0.13	4.80	4608.93%	-97.39%
Net Gains/(Losses) on AFS Financial Assets	(22.59)	(1.83)	(12.50)	-1131.01%	-85.32%

Discussion for January - June 2014 vis-à-vis January - June 2013

Cash & Cash Equivalents

Cash and cash equivalents decreased by 33.10% as of 2nd Quarter 2014 as compared to same period last year due to the net effect of the following:

Cash Inflows:

- Interest Received from amounts owed to IPI and Foreign bonds amounting to ₱3.5M;
- Proceeds from Sale of various foreign bonds and foreign and domestic shares amounting to ₱331M;
- Payment of International Pipe Industries of their advances amounting to ₱1.5M.
- Dividend Income from various stocks investments amounting to ₱1.19M

Cash Outflows:

- Real estate held for sale increased by ₱171 Million as of June 30, 2014;
- Increase in other current assets of ₱24M;

- Acquisitions of Investment in Available for sale shares amounting to ₱6.24M;and
- Payment of accrued expenses of ₱8.91M.

Accounts Receivable

Due to the collections of interest receivable from Bonds and dividend income for foreign and domestic stocks.

Installment Contract Receivable

This is a carry-over of the accounts recognized as sales in 2013 based on the revenue recognition policy of the Company.

Real Estate for Sale

Recognition of costs incurred to inventory paralleled with the company's expected turnover of units of Anuva.

Due from Related Parties

IPI has made a partial payment of ₱1.5M.

Prepayments and Other Current Assets

Pertains to input taxes on transfer of Buli Property from the parent to the subsidiary and input taxes on the payments to suppliers and contractors.

Available for Sale investments

The company has earned ₱1.7M on sale of its foreign equity holdings, ₱3.09M on sale of its foreign bonds and ₱19.07M on sale of its domestic shares of stocks.

As per SEC Memorandum Circular No. 3 Series of 2012, Revised guidelines on the implementation of PFRS 9 (Financial Instruments: Recognition and Measurement), interim financial statements starting with the period ended 30 June 2012 up to 30 June 2014 shall contain a disclosure on whether or not the company conducted an evaluation on the possible financial impact of the adoption of PFRS 9. The Company has yet to evaluate the full impact on the adoption of PFRS 9. Although preliminary evaluation has been made, the same is subject to further study of all factors which may be affected by the adoption of PFRS 9. This standard as issued in 2010 reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The Company will adopt PFRS 9 beginning January 1, 2015. The Company will continue to assess the possible effect of this standard until its full implementation in 2015.

Customer Advances & Deposits

Collections from customers not yet applied to sales.

Retained Earnings – unappropriated

Retained Earnings was lowered by 5% as of the period under report due to the negative bottomline figure of SOC Land amounting to ₱30M which was slightly pulled up by the net income of the parent amounting to ₱19M.

Treasury Shares

The Board of Directors of the Parent Company at its special meeting held on 21 December 2011 approved the repurchase of the Company's shares in the open market. The Board of Directors and Management of the Company believe that the Company's shares are trading at a price that is much lower level than the fair value thereof. The total budget allocated for the program is ₱120M pesos covering a period of 24 months that started last December 22, 2011 and was ended last December 22, 2013. The total treasury shares purchased was 4,639,000 shares amounting to ₱4.96M.

Interest Income

Interest Income consists of ₱1.2M from foreign bonds, ₱0.74M for Interest from amount owed to IPI and ₱0.19M from savings.

Real Estate Sales

SOC Land recognized ₱11.25M revenue on sale of its condominium units as of period ending June 30, 2014.

Dividend Income

The company has earned ₱0.92M dividend income on its foreign shares holdings and ₱0.27M dividends on its domestic shares holdings for the period January – June 30, 2014.

Net Gains/(Losses) on AFS Financial Assets

Due to the remarkably lower market value of foreign and domestic equity holdings for the period June 30, 2014 as compared with 2nd quarter 2013.

Sales, General and Administrative Expenses

Bulk of the cost making up the 52% is the sales and marketing expenses which consists of ₱6.9M commissions on sales, ₱2.2M incentives, ₱5M consultancy fees and ₱4.8M for roadshows and tripping. An amount of ₱5.82M goes to the Personnel Cost, ₱1.6M for Professional Fees, ₱1.25M for Depreciations, ₱1.6M for Rent and Utilities and ₱4.27M for outside services.

Discussion for January - June 2013 vis-à-vis January - June 2012

Cash & Cash Equivalents

Cash and cash equivalents decreased by 33% as of 1st semester 2013 as compared to same period last year due to the net effect of the following:

Cash Inflows:

- Interest Received from savings and amount owed to related parties, placements on time deposits and Foreign bonds amounted to ₱9.14M;
- Proceeds from Sale of various foreign and domestic shares amounting to ₱41.38M;
- Payment of advances from related parties amounting to ₱50.5M.
- Dividend Income from various stocks investments amounting to ₱2.62M
- SOC Land collected as of June 30, 2013 a total of P50.765M or 4.5% of the total projected cash inflows from condominium and parking slots sales;
- Collection of receivable from sale of premiere shares amounting to ₱31.94M; and
- Increase in valuation of foreign currency amounting to ₱18.79M

Cash Outflows:

- Real estate held for sale increased by ₱125M;
- Acquisitions of Investment in Available for sale shares amounting to ₱60M;
- Income Tax paid amounting to ₱7.82M;
- Payment of accounts payable and accrued expenses of ₱2.9M;
- Increase in other non current assets by ₱16M; and
- Purchase of Treasury Shares amounting to ₱1.3M.

Receivable

The decrease was due to the collection of the receivable from sale of shares in Premiere Bank.

Real Estate for Sale

Total Cost amounting to ₱125M was added to the inventory as of period ending June 30, 2013.

Installment Contract Receivable

Represents the remaining balance of twenty two (22) accounts on sale of condo units recognized as sales for the period.

Due from Related Parties

IPI has made a partial payment of ₱5M and Puyat Steel made a full payment of ₱45M.

Prepayments and Other Current Assets

The increase is attributable to the value added tax paid for the tax free transfer of Buli Muntinlupa land property from South China Resources to SOC Land.

Available for Sale investments

Purchase by the group of additional domestic and foreign stocks as well as boost in the mark-to-market value as of the period under report.

As per SEC Memorandum Circular No. 3 Series of 2012, Revised guidelines on the implementation of PFRS 9 (Financial Instruments: Recognition and Measurement), interim financial statements starting with the period ended 30 June 2012 up to 30 June 2014 shall contain a disclosure on whether or not the company conducted an evaluation on the possible financial impact of the adoption of PFRS 9. The Company has yet to evaluate the full impact on the adoption of PFRS 9.

Although preliminary evaluation has been made, the same is subject to further study of all factors which may be affected by the adoption of PFRS 9. This standard as issued in 2010 reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The Company will adopt PFRS 9 beginning January 1, 2015. The Company will continue to assess the possible effect of this standard until its full implementation in 2015.

Property & Equipment

Though the group has made minimal acquisition on this category, there was a decrease versus the prior year same period due to the depreciation.

Deferred Exploration Cost

Due to the write-off of deferred exploration cost.

Investment Property

Reclassification of the land Property to Real Estate for Sale.

Customer Advances & Deposits

Collections from customers not yet applied to sales.

Other Noncurrent Assets

This pertains to non current input tax.

Retained Earnings – unappropriated

The company earned a positive net income for the first semester of 2013. Compared with the same period last year, a slight 5.96% decrease can be seen which is mainly due to the isolated income generating transaction pertaining to the sale of AG&P shares.

Treasury Shares

The group has made a total of ₱1.3M purchase of treasury shares within the first six month of the current year 2013. As of June 30, 2013 there is a total of 2.22M treasury shares.

The Board of Directors of the Parent Company at its special meeting held on 21 December 2011 approved the repurchase of the Company's shares in the open market. The Board of Directors and Management of the Company believe that the Company's shares are trading at a price that is much lower level than the fair value thereof. The total budget allocated for the program is ₱120M pesos covering a period of 24 months that started last December 22, 2011 and will end this year on 22nd of December.

Interest Income

Due to the decrease in investment in Time Deposit as mandated by law through BSP memorandum 2013-021 limiting the funds which has access to SDA facility.

Gain on Sale of Investment

On January 31, 2012, the Company, together with the other owners of AGP International preferred shares, entered into a Share Purchase Agreement with AGP International to sell its 26,086,957 Series A Preferred shares to the latter for \$0.40 cents per share.

On June 1, 2011, the Parent Company, together with other shareholders, entered into a Share Purchase Agreement (the Agreement) with Security Bank Corporation for the sale of its 351,454 common shares in PDB. The sellers are the owners of an aggregate of 7,071,263 common shares in PDB, representing 96.42% of the issued and outstanding capital stock of PDB.

The gain on sale as of the 2nd quarter 2013 pertains to the sale of domestic and foreign equity holdings.

Fair Value Gain on Investments

Due to the remarkably higher market value of foreign and domestic equity holdings.

Cost and Expenses

The difference accounts for the taxes and licences paid for the sale of AG&P shares last year.

Foreign Exchange Gain

The current exchange rate from US Dollar to Philippine Peso exhibited an increase of 5.24% thereby resulting to gain.

Provision for Income Taxes

Income Taxes for the period accrues to the gain on sale of foreign shares and interest income from related parties and interest from bonds.

Results and Plans of Operation

Real Estate : SOC Land

The first tandem building of ANUVA, the "ANALA", projects a Fun Zone image showcasing the Wet and Dry Play Area for children. Originally slated for completion in the last quarter of 2013, it will be available for turnover in the second quarter of 2014. The delay was caused by the series of typhoons in the latter half of 2013 which hampered operations and inhibited the installation of necessary site utilities like permanent power connection, Maynilad water and sewer lines.

With the ANALA nearing completion, SOC Land formally launched AZALEA last October 2013, the second tandem building of the Anuva Project, focusing on Green Urban Living. It will be distinct from ANALA as it promises to be a unique development that will rival its competitors in the area incorporating all the learned improvements from the first tandem building.

Other Energy, Mineral and Resource Based Opportunities

The global situation in recent years presents opportunities for the Company to seek entry into mineral exploration and exploitation sector. It recognizes that the demand added by China and India into the current global mineral resource market and into the foreseeable future will have a significant impact in the metals and non-metals market.

The Company is in a favorable situation wherein its current cash position allows it to review other businesses wherein it may invest, including but not exclusive to opportunities in mining, energy projects both conventional and renewable either by farm-in or direct investment.

The Company is also looking into food production. We believe in the thesis that rising incomes in the Asian region will drive greater protein consumption. We are currently identifying large tracts of land suitable for agro-industrial complexes for food production.

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.



SOUTH CHINA RESOURCES, INC.
Issuer

Atty. Maghlyn T. Loja
Corporate Secretary

Date : August 19, 2014

Atty. Zosimo L. Padro, Jr.
Vice President - Finance

Date : August 19, 2014

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In PHP

	2014	CY 2013
	June (Unaudited)	December (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	319,316,052.12	183,089,876.00
Accounts receivable	7,753,319.94	78,524,234.00
Installment Contract Receivable	59,910,175.89	
Real Estate for Sale	1,093,442,603.79	1,042,159,389.00
Due from Related Parties	20,554,844.15	21,786,900.00
Prepayments and other current assets	149,159,437.51	65,717,677.00
Total Current Assets	1,650,136,433.40	1,391,278,076.00
Noncurrent Assets		
Real Estate for Development	119,741,580.34	
Available-for-sale (AFS) investments - net	40,769,340.00	362,560,662.00
Property and equipment - net	16,268,430.30	17,226,977.00
Other Noncurrent Assets	16,325,075.19	60,668,880.00
Total Noncurrent Assets	193,104,425.83	440,456,519.00
TOTAL ASSETS	1,843,240,859.23	1,831,734,595.00
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other liabilities	99,419,455.97	133,221,091.00
Customer Advances & Deposits	78,392,130.30	
Unrealized Gross Profit	-	
Income Taxes Payable	752,973.43	112,546.00
Total Current Liabilities	178,564,559.70	133,333,637.00
Deferred Tax Liability	-	4,976,921.00
Pension Liability	2,961,336.00	2,961,336.00
Total Noncurrent Liabilities	2,961,336.00	7,938,257.00
Total Liabilities	181,525,895.70	141,271,894.00
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued -600489568.87 shares as of Jun 30,2014	600,489,568.87	600,489,569.00
Subscribed -306,070,000 shares as of 2ndQ 2013 and Yearend 2012 (net of subscription receivable of ₱229,552,500 as of 2ndQ 2013 and Yearend 2012)	76,517,500.00	76,517,500.00
Additional paid in capital	72,272,140.08	72,272,140.00
Unrealized valuation gains on available for sale investments	1,656,205.48	24,244,915.00
Retained Earnings - Appropriated	500,000,000.00	500,000,000.00
Retained Earnings - Unappropriated	415,644,611.10	421,803,639.00
Treasury Shares	(4,961,650.00)	(4,961,650.00)
Actuarial Gains on Defined Benefit Plan	96,588.00	96,588.00
Total Equity	1,661,714,963.53	1,690,462,701.00
TOTAL LIABILITIES AND EQUITY	1,843,240,859.23	1,831,734,595.00

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN PHP)

	As of June 30	
	2014 (Unaudited)	2013 (Unaudited)
ASSETS		
Current Assets		
Cash and cash equivalents	319,316,052.12	524,688,872.19
Accounts receivable	7,753,319.94	16,334,201.36
Installment Contract Receivable	59,910,175.89	26,332,283.10
Real Estate for Sale	1,093,442,603.79	785,258,061.17
Due from Related Parties	20,554,844.15	22,435,910.67
Prepayments and other current assets	149,159,437.51	68,440,685.63
Total Current Assets	1,650,136,433.40	1,443,490,014.12
Noncurrent Assets		
Real Estate for Development	119,741,580.34	
Available-for-sale (AFS) investments - net	40,769,340.00	317,921,963.04
Deferred exploration costs - net of allowance for impairment	-	
Property and equipment - net	16,268,430.30	18,408,709.85
Other Noncurrent Assets	16,325,075.19	50,792,083.29
Total Noncurrent Assets	193,104,425.83	387,122,756.18
TOTAL ASSETS	1,843,240,859.23	1,830,612,770.30
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	99,419,455.97	59,229,236.91
Customer Advances & Deposits	78,392,130.30	47,191,023.80
Unrealized Gross Profit	-	20,272,034.06
Income Taxes Payable	752,973.43	57,922.58
Total Current Liabilities	178,564,559.70	126,750,217.35
Deferred Tax Liability	-	1,322,248.50
Pension Liability	2,961,336.00	
Total Noncurrent Liabilities	2,961,336.00	1,322,248.50
Total Liabilities	181,525,895.70	128,072,465.85
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued -600489568.87 shares as of Jun 30,2014	600,489,568.87	600,489,568.87
Subscribed -306,070,000 shares as of 2ndQ 2013 and 2ndQ 2012 (net of subscription receivable of ₱229,552,500 as of 2ndQ 2013 and 2ndQ 2012)	76,517,500.00	76,517,500.00
Additional paid in capital	72,272,140.08	72,272,140.08
Unrealized valuation gains on available for sale investments	1,656,205.48	16,664,749.66
Retained Earnings- Appropriated	500,000,000.00	500,000,000.00
Retained Earnings- Unappropriated	415,644,611.10	438,934,325.84
Treasury Shares	(4,961,650.00)	(2,337,980.00)
Actuarial Gains on Defined Benefit Plan	96,588.00	
Total Equity	1,661,714,963.53	1,702,540,304.45
TOTAL LIABILITIES AND EQUITY	1,843,240,859.23	1,830,612,770.30

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	As of June 30	
	2014 (Unaudited)	2013 (Unaudited)
REVENUES		
Real Estate Sales	11,254,762	9,723,393.76
Cost of Sales	7,336,565	6,638,020.37
Gross Profit Before Unrealized Profit	3,918,197	3,085,373.39
Deferred Gross Profit	-	(813,304.44)
Realized Gross Profit for 2013 sales	3,918,197	2,272,068.95
Realized Gross Profit for 2012 sales	-	1,630,015.94
Total Realized Gross Profit	3,918,197	3,902,084.89
Net interest income	2,175,944.16	8,032,067.29
Other Income	3,301,181.56	880,351.70
Foreign exchange Gain - net	1,668,260.89	18,790,773.47
Gain on Sale of AFS Financial Assets	24,525,926.48	6,190,350.45
Dividend Income	1,192,836.75	2,427,393.89
	36,782,347.05	40,223,021.69
COST AND EXPENSES		
Sales, General and administrative expenses	42,188,399.69	37,765,403.13
	42,188,399.69	37,765,403.13
Gain/(Loss) on Disposal of Noncurrent Asset Held for Sale		
Foreign Exchange Losses	-	
Net Income (Loss) Before Tax	(5,406,052.64)	2,457,618.56
Provision for Income Tax	5,906,579.01	125,433.48
Net Income (Loss)	(11,312,631.65)	2,332,185.08
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	(22,588,709.09)	(1,834,967.50)
Share in Unrealized (Loss) / Gain on AFS of an Associate	-	
Total Comprehensive Income / (Loss)	(33,901,340.74)	497,217.58
Basic/Diluted Income (Loss) Per Share	N/A	0.0039

* Computed as = $\frac{\text{Net income(loss) for the period}}{\text{Weighted average number of shares}}$

	(11,312,632)	2,332,185
	595,850,568	600,489,569

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	For the three months ended April - June	
	2014	2013
REVENUES		
Real Estate Sales	11,254,762	9,723,394
Cost of Sales	7,336,565	6,638,020
Gross Profit Before Unrealized Profit	3,918,197	3,085,373
Deferred Gross Profit	-	(813,304)
Realized Gross Profit for 2013 sales	3,918,197	2,272,069
Realized Gross Profit for 2012 sales	-	1,630,016
Total Realized Gross Profit	3,918,197.21	3,902,084.89
Net interest income	628,983	3,973,580
Other Income	1,290,539	836,518
Foreign exchange Gain - net	(19,630)	18,790,773
Gain on Sale of AFS Financial Assets	10,936,297	1,811,759
Dividend Income	799,126	2,316,087
	17,553,512	31,630,804
COST AND EXPENSES		
Sales, General and administrative expenses	23,729,811	19,009,490
	23,729,811	19,009,490
Gain/(Loss) on Disposal of Noncurrent Asset Held for Sale		
Foreign Exchange Losses	-	2,135,872
Net Income (Loss) Before Tax	(6,176,299)	14,757,185
Provision for Income Tax	752,973	57,923
Net Income (Loss)	(6,929,272)	14,699,262
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	(9,385,728)	(17,421,838)
Share in Unrealized (Loss) / Gain on AFS of an Associate		
Total Comprehensive Income / (Loss)	(16,315,000)	(2,722,576)

Basic/Diluted Income (Loss) Per Share

* Computed as	=	Net income(loss) for the period	(6,929,272)	14,699,262
		Weighted average number of shar	595,850,568	600,489,569
			(0.0116)	0.0245

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	As of June 30 2014 (Unaudited)	As of Dec 31 2013 (Audited)
REVENUES		
Real Estate Sales	11,254,762.00	82,701,994.00
Cost of Sales	7,336,564.79	66,460,200.00
Total Realized Gross Profit	3,918,197.21	16,241,794.00
Net interest income	2,175,944.16	12,395,134.00
Foreign exchange Gain - net	1,668,260.89	22,428,404.00
Gain on Sale of HTM Investments		
Gain on Sale of AFS Financial Assets	24,525,926.48	18,944,678.00
Dividend Income	1,192,836.75	5,775,742.00
Other Income	3,301,181.56	4,258,612.00
	36,782,347.05	80,044,364.00
COST AND EXPENSES		
Sales, General and administrative expenses	42,188,399.69	91,799,814.00
	42,188,399.69	91,799,814.00
Net Income (Loss) Before Tax	(5,406,052.64)	(11,755,450.00)
Provision for Income Tax	5,906,579.01	303,928.00
Net Income (Loss)	(11,312,631.65)	(12,059,378.00)
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	(22,588,709.09)	5,745,198.00
Actuarial Gains on Defined Benefit Plan		191,920.00
Total Comprehensive Income / (Loss)	(33,901,340.74)	(6,122,260.00)
Basic/Diluted Income (Loss) Per Share	N/A	(0.0201)
* Computed as	=	
Net income(loss) for the period	(11,312,632)	(12,059,378)
Weighted average number of shares	595,850,568	600,489,568

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
IN PHP

	As of June 30	
	2014 (Unaudited)	2013 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(252,447)	2,525,129
Adjustments for:		
Depreciation	1,267,736	1,140,919
Revaluation on Bonds	-	(4,372,637)
Net foreign exchange losses/(gains)	(1,668,261)	(18,784,351)
Interest income	(2,157,592)	(7,998,602)
Dividend Income	(1,192,837)	(2,427,394)
Gain on sale of AFS investment	(24,525,926)	(6,190,350)
Operating loss before working capital changes	(28,529,328)	(36,107,285)
Changes in Assets and Liabilities:		
Accounts receivable	1,684,678	(8,715,051)
Real Estate for Sale	(171,024,794)	(125,202,044)
Installment Contract Receivable	674,376	(18,106,478)
Other Current Assets	(24,664,951)	(16,417,820)
Deferred Tax Liabilities	(4,976,921)	
Prepayments and other current assets	(5,365,175)	(37,186,069)
Accounts Payable & Accrued Expenses	43,057,600	38,586,634
Net cash used in operations	(189,144,514)	(203,148,114)
Interest received	240,092	4,768,207
Income tax paid	(5,266,151)	(7,826,432)
Net cash flows used in operating activities	(194,170,573)	(206,206,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions:		
AFS investments	(6,247,447)	(60,049,712)
Property and equipment	(309,189)	(375,134)
Decreases (Increases) in:		
Other noncurrent assets	-	(15,278,901)
Project Advances	(1,046,174)	(629,805)
Advances to Related Parties	(11,611)	(11,191)
Interest Received - Bonds	3,020,632	2,296,003
Dividend Received	1,484,812	2,624,716
Collection of Receivable from Sale of Investments	-	31,937,644
Proceeds from Sale of AFS Investments	331,158,526	41,378,959
Payments received from Related Parties	1,980,869	52,071,743
Net cash flows from (used in) investing activities	330,030,417	53,964,322
CASH FLOWS FROM A FINANCING ACTIVITY		
Purchase of Treasury Shares	-	(1,297,230)
Net cash flows from (used in) iFinancing activities	-	(1,297,230)
EFFECT OF EXCHANGE RATE CHANGES		
ON CASH AND CASH EQUIVALENTS	389,469	18,790,773
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	136,249,313	(134,748,474)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF YEAR	183,066,739	659,437,346
CASH AND CASH EQUIVALENTS AT		
END OF YEAR	319,316,052	524,688,872

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IN PHP

	Common Stock Issued	Common Stock Subscribed - Net	Additional Paid-In Capital	Unrealized Gains/(Loss) on AFS Investments	Other Comprehensive Income	Retained Earnings Appropriated	Retained Earnings Unappropriated	Treasury Shares	TOTAL
Balances at January 01,2013	600,489,569	76,517,500	72,272,140	18,499,717		500,000,000	436,534,630	(1,040,750)	1,703,272,806
Collections of Subscription Receivable									-
Issuance of Common Stock									-
Acquisition of Treasury Shares								(1,297,230)	(1,297,230)
Total Comprehensive Income 1stQ 2013				(1,834,968)	-		2,399,696		564,728
Balances at June 30,2013	600,489,569	76,517,500	72,272,140	16,664,750	-	500,000,000	438,934,326	(2,337,980)	1,702,540,304
Balances at January 01,2014	600,489,569	76,517,500	72,272,140	24,244,915	96,588	500,000,000	421,803,639	(4,961,650)	1,690,462,701
Collections of Subscription Receivable		-							-
Issuance of Common Stock	-	-							-
Acquisition of Treasury Shares								-	-
Total Comprehensive Income 1stQ 2014				(22,588,710)			(6,159,028)		(28,747,737)
Balances at June 30,2014	600,489,569	76,517,500	72,272,140	1,656,205	96,588	500,000,000	415,644,611	(4,961,650)	1,661,714,964

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
KEY PERFORMANCE INDICATORS

	KEY FINANCIAL RATIOS	6/30/2014	6/30/2013
I.	Current/Liquidity Ratios	9.24 x	11.39 x
II.	Solvency Ratio	N/A	2.74%
III.	Debt-to-equity ratio (in x)	0.1075 x	0.0744 x
IV.	Asset to Equity Ratio	1.1092 x	1.0752 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity	N/A	0.14%
	Return on Assets	N/A	0.13%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	-8.55%	-76.30%
	Net Income Growth/ (Decline)	-585.07%	-98.17%
	EBITDA	(10,044,896)	Php 3,473,104

South China Resources, Inc. and Subsidiary

Aging of Accounts Receivable

As of June 30, 2014

Accounts Receivable	CURRENT					PAST DUE			Past due accounts & Items in Litigation
	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos. To 1 Year	1-2 Years	3-5 Years	5 Years - Above	
1 Amount owed by a related party - IPI	20,404,444	133,333	271,111			20,000,000			
2 Accrued Interest - Time Deposit PHP	4,402,866	112,021		31,478	118,000	141,368	4,000,000		
3 Accrued Interest - Time Deposit USD	-								
4 Accrued Interest - Foreign Bonds	-								
5 Officers and employees	1,255,992		1,255,992						
6 South China Petroleum Int'l.	150,400		600	11,011	13,291	27,135	98,362		
7 IGC Securities, Inc.	100,560		5,876		65,746	28,938			
8 SSS	8,400						8,400		
9 Others	1,985,501		1,985,501						
Subtotal	28,308,164	245,355	3,519,080	42,489	197,038	20,197,440	4,106,762		
Less: Allow. For Impairment losses on receivables	-	-	-	-	-	-	-	-	-
A/R - net	28,308,164	245,355	3,519,080	42,489	197,038	20,197,440	4,106,762		NONE
Net Receivables	28,308,164	245,355	3,519,080	42,489	197,038	20,197,440	4,106,762	-	NONE

Notes: If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

Accounts Receivable Description :

Type of A/R :	Nature/Description	Collection Period
		monthly payment of interest &
1) Amount owed by a related party	Receivable from third party IPI Industries, Inc. (Principal & Interest)	quarterly payment of principal
2) Officers and employees	Advances to employees for emergency purpose on a 1 year term payable monthly	monthly
3) Others	Receivable from third party	past due yet collectible
Notes : Indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both for trade and non-trade accounts.		

Normal Operating Cycle: 1 (one) year

SOUTH CHINA RESOURCES, INC. & SUBSIDIARY

Other long term investments and other Investments

Available for Sale Financial Assets

As of June 30, 2014

In Philippine Peso unless stated

Name of Issuing Entity & Description of Investment	Number of Shares or Principal Amount of Bonds & Notes	Value Based on Market Quotations at the end of Reporting Period	Dividends, Interest Received from Investments not accounted for by the equity Method
Investment in Shares of Stocks			
<i>Listed - Domestic</i>			
Petron	1,147,500	14,619,150	
Aboitiz Equity Ventures, Inc.	7,800	434,850	
Lepanto Consolidated Mining Company "A"	2,078,000	831,200	
Manila Mining Corporation "A"	26,480,000	476,640	
Manila Water Company, Inc.	265,000	6,757,500	106,822
		23,119,340	106,822
<i>Not Listed - Domestic</i>			
Wackwack Golf & Country Club	1	17,500,000	
Southwest Resources, Inc.		3,333,500	
Mt. Malarayat Golf & Country Club	1	150,000	
		20,983,500	
Allowance for Impairment on AFS - Unlisted		(3,333,500)	
		17,650,000	
TOTAL AVAILABLE FOR SALE FINANCIAL ASSETS		40,769,340	

SOUTH CHINA RESOURCES, INC. & SUBSIDIARY

Amounts Receivable from Related Parties which are eliminated during the consolidation of Financial Statements

As of June 30, 2014

		Beginning Balance	Additions	Ending Balance
		December 31, 2013		As of June 30, 2014
SOC Land Development, Corp.		1,002,752,029	178,000,000.00	1,180,752,029

South China Resources, Inc. and Subsidiary

Map of the Relationships of the Companies within the Group

As of June 30, 2014

