



SOUTH CHINA RESOURCES, INC.

ENZO Building, 399 Senator Gil Puyat Avenue, Makati
Metro Manila, Philippines 1200

November 18, 2013

The Disclosure Department

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave.
Makati City, Philippines 1226

Attention: **Ms. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

Please find herewith the 3rd Quarter Report (on SEC Form 17-Q) for year 2013 of South China Resources, Inc. as submitted to Securities and Exchange Commission

We hope that you may find the above in order.

Thank you.

Yours faithfully,

DAVID R. BALADAD
Corporate Information Officer/
VP – Operations



SOUTH CHINA RESOURCES, INC.

ENZO Building, 399 Senator Gil Puyat Avenue, Makati
Metro Manila, Philippines 1200

November 14, 2013

The Disclosure Department

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave.
Makati City, Philippines 1226

Attention: **Ms. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

We respectfully request for an extension of deadline to submit our quarterly report for the quarter ended September 30, 2013.

We will not be able to file the above mentioned report on its deadline which falls due today, November 14, 2013 because we are still in the process of finalizing our consolidated reports.

We undertake to submit the report within five (5) calendar days after the prescribed deadline or upon submission to the Securities and Exchange Commission, whichever is earlier. The company understands that failure to comply with the undertaking may result in the imposition of applicable penalty/ies and/or sanction/s.

Yours faithfully,

DAVID R. BALADAD
Corporate Information Officer/
VP – Operations



111182013003003

**SECURITIES AND EXCHANGE COMMISSION**

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

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Company Information

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Company Name SOUTH CHINA RESOURCES INC.

Industry Classification

Company Type Stock Corporation

Document Information

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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 **September 30, 2013**
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. **3/F Low Rise Pacific Star Bldg., Sen. Gil Puyat Ave. cor.**
Makati Ave., Makati City **1200**
Address of principal office Postal Code
8. **(632) 812-2383 / 892-2049**
Issuer's telephone number, including area code
9. **12/F Pacific Star Bldg., Sen. Gil Puyat Ave. cor. Makati Ave., Makati City**
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 | 903,291,568 |

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

Yes [**X**] 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. 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 after the recent conclusion of the sale of one of its major assets.

The diversification process, brought on by the financial crisis of the 90's, was honed through the years and allowed South China to invest in technology based, as well as other long-term ventures. This gave the company new legs to stand on needed 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 sale of Filipinas Plaza along EDSA corner Chino Roces Avenue and the minority ownership of 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 3,240,000 shares of the capital stock of Bell Telecommunication Philippines, Inc. at a selling price of P1,23 billion.

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 invested 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 cooker 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 makes 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 2012, after holding the AGP investment for 13 months, 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 recently concluded this year 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 lot 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, registered in the names of, among others, the Company's majority Directors, and major stockholders, Edgardo P. Reyes, Wilfrido P. Reyes and Belen R. Castro 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 through SOC Land Development Corporation (SOC Land), its wholly owned subsidiary, will put up quality homes at affordable prices. The Board of Directors, at its special meeting held on 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 the 2.4-hectare property into a community, called Anuva Residences (the Project). Situated near Sucat Interchange, the project will have four (4) tandem buildings, with the first building targeted to be completed by 2013. 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 estates 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. The first tandem building is now 82.75% complete and expected turnover to clients would be by 1st quarter of 2014.

In two decades, South China was therefore transformed from a purely exploration player to an investment company and a real estate developer, through its wholly owned subsidiary, SOC Land. Even with varied interests, its exploration business kept on 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. In its latest exploration foray however, South China together with Shell Philippines Exploration B.V. and Kuwait Foreign Petroleum Co. deemed it prudent to relinquish Service Contract-60 in light of the dismal results of the wildcat well drilled and CSEM (Controlled Source Electro-Magnetics) survey. Setting aside this development, South China will continue to search for energy through other avenues.

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 especially 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.

South China has identified two new areas for potential investment which it is investigating. To address a growing population, now at around 98 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 made a slight shift in focus towards renewable energy while keeping in line with its energy thrust. Renewable energy 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 renewable energy 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 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 the third quarter of 2013. 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).

Since the company has only six (6) officers and employees, it is not legally required to establish a formal retirement plan for its employees because under Republic Act No. 7641, a company is required to set up a retirement plan if it has ten (10) or more employees.

Other Investments

Puyat Steel Corporation (PSC) is a world-class manufacturer of galvanized and pre-painted steel sheets and coils used in roofing and walling profiles and bended accessorial products. It was established in 1956 as a division of Gonzalo Puyat and Sons Inc. PSC set up the first galvanizing plant in the Philippines in answer to the need of the country for galvanized iron sheets to be used in construction, building and roofing materials. In 1998, PSC inaugurated in Rosario, Batangas, the Philippines' first ever state-of-the-art continuous galvanizing line utilizing the modern non-oxidizing furnace (NOF) technology putting the mill in a globally competitive stature. By the year 2000, PSC became the first NOF continuous galvanizing plant to be ISO 9002 certified.

The BOD through Board Resolution dated January 15, 2008 authorized the Company to enter into a related party agreement with PSC to invest for the acquisition of raw materials to be processed into finished steel products. The funding facility extended to PSC is secured by way of assignment to the Company of finished goods inventories and all receivables and proceeds of postdated checks issued arising from the sale of the finished goods. The funding facility is renewable on a yearly basis.

International Pipe Industries Corp. (IPIC) is the pioneer manufacturer of large-diameter spiral welded pipes and machinery fabrication in the Philippines and Southeast Asia. It has developed a "strong solid experience" in providing quality steel pipe products of various requirements in the industry, servicing clientele all over the Philippines, ASEAN countries and U.S. territories. IPI was also the first company in the Southeast Asia to pioneer in the design and exportation of high-tension transmission poles, weight coating of submarine line pipe and non-tension and pre-tension concrete pressure pipes. In 2007, IPIC set up another manufacturing facility in Sta. Cruz, Davao del Sur selected to cater to the pipe requirements of customers in the Visayas and Mindanao area.

CONSOLIDATED RESULTS OF OPERATIONS
Financial Highlights
(In PHP)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 & SEPTEMBER 30, 2012

ACCOUNTS	9/30/2013	9/30/2012	% CHANGE
REVENUES	31,137,445	178,813,625	-82.59%
COST AND EXPENSES	56,114,628	91,714,642	-38.82%
GAIN ON SALE OF NONCURRENT ASSET HELD FOR SALE		32,153,046	-100.00%
FOREIGN EXCHANGE GAIN/(LOSS)	19,798,449	(9,701,305)	304.08%
INCOME LOSS BEFORE INCOME TAX	(5,178,734)	109,550,723	-104.73%
PROVISION FOR INCOME TAX	125,433	4,103,688	-96.94%
NET INCOME/(LOSS)	(5,304,168)	105,447,035	-105.03%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	7,960,671	2,513,784	216.68%
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,656,503	107,960,819	-97.54%

2013 VS 2012: RESULTS OF OPERATIONS

There has been a positive total comprehensive income as of the third quarter of 2013. The report exhibited an outstanding increase in the market value of available for sale financial assets of the group. The group was able to generate a total of ₱31 million income from its various financial investments. It has to be noted that there has been no commercial production on oil exploration since the inception of the company. Bulk of the company's revenue was of the interest income from various investments such as time deposits and bonds. The expenses are mainly those of the sales and marketing expenses for the group's first project, Anuva. There has been also a realized gross profit recognized for the Anuva Project as of the third quarter of 2013 amounting to ₱7.5 million. During the period, the stocks investments in the Philippines has reach an outstanding valuation with PSE index constantly soaring high due to the good investment rating provided by various credit rater such as Moody's Investor's Service. Moody's Investor's Service last October 13, 2013 upgraded the Philippines' credit rating to **Baa3**, becoming the last major credit rater to give the country an investment grade rating. Moody's cited the sustainability of the country's robust economic performance, ongoing fiscal and debt consolidation, and political stability and improved governance as reasons for the upgrade. The rating comes with a positive outlook for the Philippines. The group has always been full of initiatives in keeping up with the moving economy by continuously searching and venturing for any possible business and opportunities.

It has been a very good year for the group in 2012 due to the outstanding income earned from the sale of AGP shares, taking into consideration that AGP are shares not listed on the exchange and it has been owned by the company for less than a year. The bulk of revenue as of second quarter of 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. The difference of 32% in expenses as against September 2013 was the write-off done for the deferred exploration cost.

CONSOLIDATED RESULTS OF OPERATIONS
Financial Highlights
(In PHP)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 & SEPTEMBER 30, 2011

ACCOUNTS	9/30/2012	9/30/2011	% CHANGE
REVENUES	178,813,625	25,337,671	605.72%
COST AND EXPENSES	91,714,642	24,554,042	273.52%
EQUITY IN NET LOSSES OF AN ASSOCIATE	-	(52,317)	-100.00%
FOREIGN EXCHANGE LOSSES	(9,701,305)	(809)	1198731.62%
INCOME LOSS BEFORE INCOME TAX	109,550,723	730,502	14896.63%
PROVISION FOR INCOME TAX	4,103,688	64,137	6298.33%
NET INCOME/(LOSS)	105,447,035	666,366	15724.20%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	2,513,784	(4,715,350)	153.31%
SHARE IN UNREALIZED VALUATION GAINS ON AFS			
FINANCIAL ASSETS OF AN ASSOCIATES		28,740	-100.00%
TOTAL COMPREHENSIVE INCOME/(LOSS)	107,960,819	(4,020,244)	2785.43%

2012 VS 2011: RESULTS OF OPERATIONS

For the period ended September 30, 2012, the Group posted a net income of ₱105M, an outstanding 15,724X increase over the same period last year. The consolidated results of operation jumped to up to 151 times larger than that of ₱730,502 net income as of period ended September 30, 2011. The 606% increase in the total revenues which is slightly reduced by the 273.52% increase in total expenses of the group has contributed a lot to the positive bottom line period as of the 3rd quarter of the year 2012. The revenue was composed of the gain on sale of Premiere shares and AG&P shares.

CONSOLIDATED FINANCIAL POSITION
Financial Highlights
(in PHP)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 & SEPTEMBER 30, 2012:

ACCOUNTS	9/30/2013	9/30/2012	% CHANGE
CURRENT ASSETS	1,395,238,375	1,441,374,760	-3.20%
NONCURRENT ASSETS	439,966,416	314,086,020	40.08%
TOTAL ASSETS	1,835,204,791	1,755,460,780	4.54%
CURRENT LIABILITIES	130,438,959	49,690,882	162.50%
NONCURRENT LIABILITIES	1,322,249		100.00%
TOTAL LIABILITIES	131,761,208	49,690,882	165.16%
EQUITY	1,703,443,584	1,705,769,897	-0.14%
TOTAL LIABILITIES AND EQUITY	1,835,204,791	1,755,460,780	4.54%

2013 VS 2012: FINANCIAL CONDITION

There has been a 4.54% increase in the consolidated assets by the group as of the period ended September 30, 2013 vis a vis September 30, 2012 propelled by the increase in market value of available for sale financial assets constituting the bulk of noncurrent assets. The group continues to exhibit robust financial condition with its liabilities constituting a little portion of 7% out of its total assets. Liabilities are composed mostly of customer's advances and deposits. Cash & Cash Equivalents make up for the 28% of the total assets and real estate for sale constitutes the 62%.

CONSOLIDATED FINANCIAL POSITION

Financial Highlights (in PHP)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 & SEPTEMBER 30, 2011:

ACCOUNTS	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>% CHANGE</u>
CURRENT ASSETS	1,441,374,760	949,493,073	51.80%
NONCURRENT ASSETS	314,086,020	671,231,910	-53.21%
TOTAL ASSETS	1,755,460,780	1,620,724,983	8.31%
CURRENT LIABILITIES	49,690,882	15,813,349	214.23%
EQUITY	1,705,769,897	1,604,911,634	6.28%
TOTAL LIABILITIES AND EQUITY	1,755,460,780	1,620,724,983	8.31%

2012 VS 2011: FINANCIAL CONDITION

There has been an 8.31% increase in the consolidated assets by the group as of the quarter ended September 30, 2012 vis a vis September 30, 2011. The group continues to exhibit robust financial condition with its liabilities constituting a little portion of 2.8% out of its total assets. Cash & Cash Equivalents makes up for the 41% 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 period ended September 30, 2013 and September 30, 2012:

	<u>KEY FINANCIAL RATIOS</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
I.	Current/Liquidity Ratios	10.70 x	29.01 x
II.	Solvency Ratio	N/A	267.09%
III.	Debt-to-equity ratio (in x)	0.0766 x	0.0291 x
IV.	Asset to Equity Ratio	1.0773 x	1.0291 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity	N/A	6.18%
	Return on Assets	N/A	6.01%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	-71.51%	605.72%
	Net Income Growth/ (Decline)	-105.03%	15724.20%
	EBITDA	(2,205,601)	Php 132,721,093

2013 VS 2012

The big gap on the revenue growth of the company was brought about by the gain on sale of AG&P shares and Premiere Bank Shares last year 2012 of the same period.

Since its inception, the parent company South China Resources, Inc. has been financing its subsidiary, SOC Land Development Corp. which is now in 82.75% stage of completion on the construction of its Anuva Project Tandem Building I. Despite the negative bottom line figure, the company has shown a slight increase in its asset to equity ratio due to the 2% increase in its total assets.

2012 VS 2011

The remarkable increase in the revenue growth of the company was brought about by the gain on sale of AG&P shares, Premiere Bank Shares, PT Telekomunikasi and China Telecom shares as well as the dividend income from various stocks and interest income from advances as previously discussed. Due to the increment in Revenue for the group, the net income growth, posted a 732.62% increase as against 3rd quarter of 2011.

With the proceeds from the sale of AG&P and Premiere Bank shares, the EBITDA of the company rose up to ₱130M as against ₱2.6M as of 3rd quarter 2011.

The company has 6.24% for its return on equity and 6.06% return on assets as of the 3rd quarter 2012.

Currently the group has been actively seeking for new ventures that will further enhance its financial assets thus explaining the slight decrease in its current ratio. The group has been financing its subsidiary, SOC Land Development Corp. which is now in 44.74% stage of completion on the construction of its Anuva Project Tandem Building I.

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	$\text{Total Liabilities} / \text{Equity}$

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.

The Company has NO earnings yet from commercial production. Therefore, there were NO dividends declared for the period ended September 30, 2013.

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 September 30, 2013, 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 September 30, 2013, 2012 and 2011 are summarized as follows:

ACCOUNTS <i>In Millions</i>	For the Period Ended September 30			% CHANGE	
	2013	2012	2011	2013 vs 2012	2012 vs 2011
Statement of Financial Position					
Cash & Cash Equivalents	392.81	719.83	796.58	-45.43%	-9.64%
Receivables	7.79	38.00	64.30	-79.50%	-40.91%
Construction Work in Progress			87.00		-100.00%
Installment Contract Receivable	37.13	17.59		111.05%	100.00%
Real Estate for Sale	860.02	558.15		54.08%	100.00%
Due from Related Parties	21.78	67.13		-67.55%	100.00%
Prepayments & Other Current Assets	75.71	40.68	1.61	86.10%	2427.21%
Real Estate for Development	38.46			100.00%	
Investment in Assoc.			31.81		-100.00%
Investment in Bonds		85.35	287.42	-100.00%	-70.30%
Available for Sale Investment	332.68	205.32		62.03%	100.00%
Property & Equipment	17.88	19.18	6.11	-6.79%	213.76%
Deferred Exploration Cost		0.05	21.56	-100.00%	-99.77%
Land			312.30		-100.00%
Other Noncurrent Assets	50.94	4.18	12.03	1119.24%	-65.26%
Accounts Payable & other Liabilities	61.14	26.80	2.27	128.13%	1082.84%
Customers' Deposit & Advances	56.17	19.00	13.53	195.55%	40.49%
Unrealized Gross Profit	13.06	3.89		236.17%	100.00%
Income Taxes Payable	0.07		0.02	100.00%	-100.00%
Deferred Tax Liabilities	1.32			100.00%	
Unrealized Valuation Gain/(Loss) on AFS	26.46	12.90	12.96	105.07%	
Retained Earnings - Unappropriated	431.29	444.23	342.63		29.65%
Treasury Stocks	(3.59)	(0.64)		460.66%	100.00%
Statement of Comprehensive Income					
REVENUES					
Gain on Sale of Financial Assets	6.33	152.34		-95.85%	100.00%
Interest Income	10.31	19.31	25.34	-46.62%	-23.80%
Real Estate Sales	24.27	32.44		-25.20%	100.00%
Total Realized Gross Profit	7.54	3.15		139.57%	100.00%
Dividend Income	4.36	3.70	0.00	17.63%	1057813.19%
Foreign Exchange Gain/(Loss)	19.80	(9.70)	(0.00)	304.08%	1198731.62%
COST AND EXPENSES					
Sales, General and Administrative Expenses	56.11	91.71	24.55	-38.82%	273.52%
Cost of Sales	18.08	25.41		-28.86%	100.00%
Provision for Income Tax	0.13	4.10	0.06	-96.94%	6298.33%
OTHER COMPREHENSIVE INCOME/(LOSS)					
Unrealized (Loss)/Gain in market value of AFS	7.96	2.51	(4.72)	216.68%	153.31%

For the period ended September 30, 2013 vis-à-vis September 30, 2012

Cash & Cash Equivalents

Cash and cash equivalents decreased by 9.64% as of 3rd quarter 2013 compared to the 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 ₱12.17M;
- Proceeds from Sale of various foreign and domestic shares amounting to ₱45.88M;
- Dividend Income from various stocks investments amounting to ₱4.61M
- SOC Land collected as of September 30, 2013 a total of P80.256M or 6.84% 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 ₱19.8M

Cash Outflows:

- Real estate held for sale increased by ₱302M;
- Acquisitions of Investment in Available for sale shares amounting to ₱68M;
- Income Tax paid amounting to ₱7.9M;
- Increase in other current assets by ₱61M and other noncurrent assets by ₱16M; and
- Purchase of Treasury Shares amounting to ₱2.5M.

Receivable

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

Real Estate for Sale

Total Development Cost amounting to ₱302M was added to the inventory as of the period ended September 30, 2013.

Installment Contract Receivable

Represents the remaining balance of twenty two (28) 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

The group has made minimal acquisition on this category. there was a decrease versus the same period in the year prior due mainly 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 noncurrent input tax.

Retained Earnings – unappropriated

.Compared with the same period last year, a decrease can be seen which is mainly due to the isolated income generating transaction pertaining to the sale of AG&P shares last year.

Treasury Shares

The group has made a total of ₱2.5M purchase of treasury shares within the nine month period of the current year 2013. As of September 30, 2013 there is a total of 3.27M 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 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

The gain on sale as of the 3rd 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 licenses 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 4.4% translating into a gain of ₱19.8M.

Provision for Income Taxes

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

For the period ended September 30, 2012 vis-à-vis September 30, 2011

Increase in Real Estate Sales

SOC Land's License to Sell (LTS) was released by the HLURB on December 14, 2011. As of September 30, 2012, Sales amounting to P32.4 Million was recognized based on Revenue Recognition policy considering the percentage of completion of building construction. Completion rate as of this month is reported at 44.74% by Strategic-Tek Groupe Co. (STG) and in accordance with this percentage, revenue amounting to P3.15 Million or 44.74% of the Gross Profit is reported as realized and the remaining balance of P3.89 Million is considered as deferred revenues for financial reporting purposes.

Increase in Cost of Sales

As of September 30, 2012, cost from sale of real estate was recognized amounting to P25 Million.

Increase Deferred Gross profit and Realized Gross Profit

Since actual percentage of completion is reported to be 44.74%, revenues of P3.15 Million or 44.74% of the Gross Profit is reported as realized and the remaining balance of P3.89 Million is considered as deferred revenues.

Decrease in Interest Income

This was due to the 36.70% decrease in interest income earned from Time Deposits as of the period ended September 30, 2012 and September 30, 2011. The change was brought about by 18% decrease in the amount invested in time deposits due to various equity investments and funding for the subsidiary, SOC Land Dev. (SOC Land) coupled with downtrend in bank's interest rates. The average bank rates for time deposit were 3.855% and 4.604% for 2012 and 2011 respectively. The group earned an additional P1.45M for interest on foreign bonds and P2.5M from advances to affiliates as of the period ended September 30, 2012.

Increase in 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 company earned P0.13M gain from the sale of its 265,000 shares of PT Telekomunikasi Indonesia.

Increase in gain on market Value of Asset held for Sale

This refers to the increase in the market value of Premiere shares at the date of sale.

As of December 31, 2011, the Group Company reclassified its investment in PDB amounting to P31.7 million as held for sale and presented it under "Noncurrent asset held for sale" account in the consolidated statement of financial position.

Fair Value Gain on Investments

This pertains to the fair value gain of foreign shares recognized in profit or loss due to sale.

Increase in Dividend Income

The group earned dividends of P1.7M in its listed domestic stocks and P2.01M in its foreign stocks.

Increase in Cost and Expenses

The increase accounts for the following: (1) 11.44% Increase in Personnel Costs due to additional employees hired within the period; (2) 438.74% Increase in Travel and Transportation due to increase in business travel within the group; (3) 1.06% Decrease in Depreciation (4) 69.19% decrease in Rent and Utilities (5) 347.78% Increase in Taxes and Licenses due to payments of capital gains tax, documentary stamp taxes and other permits; (6) 7.35% Increase in Communication and Postage Expense; (7) 458% Increase in Sales & Marketing Expense. Sales and Marketing expenses for the period is composed of sales commissions, consultancy fees, and other marketing activities. Consultancy fees representing allowances of sales agents as of September 30, 2012 and September 30, 2011 amounted to P8.3M and P2.6M, respectively. The increase was due to the entry of new sales group consisting of 1 Executive Sales Director, 2 Sales Director, 13 Sales Manager and 33 Sales Executive. It was also this month that marked the entry of two 2 new Sales Executives for the International Group. Total Sellers as of September 30, 2012 is at 90 comprising of 39 for Sales Division 1, 48 for Sales Division 2 and 3 International Group. Commissions paid for the period ended September 30, 2012 amounted to P2M. Releasing of commission is based on collection turn-out and batched every 5% increase in collection until the full down payment has been paid. Marketing activities were focused on Print Advertising, Bus Ads, Billboards and International Road shows; (8) 1193.44% Increase in Trainings & Seminars due to comprehensive trainings provided by the group in and out of the country; (9) 434.22% Increase in Supplies usage and (10) 3290% in Repairs and Maintenance.

Increase in Income from Operations

The great leap in income from operation was brought about by the sale of AG&P shares Premiere Development Bank Shares and shares from foreign portfolio of investments.

Decrease in Equity in Net Earnings of Associates

As of December 31, 2011, the Group Company reclassified its investment in PDB amounting to ₱31.7 million as held for sale and presented it under "Noncurrent asset held for sale" account in the consolidated statement of financial position. On January 20, 2012, the Monetary Board of the BSP approved the transaction contemplated in the Agreement. After reclassification of Investment on Associates to Investment Held for Sale, the company ceased on recognizing share in equity of associates.

Increase in Foreign Exchange Losses

This was brought about by the revaluation on the foreign currency denominated monetary assets and the depreciation of Philippine Peso against USD. The company has investments on Time Deposits – USD and Foreign Bonds.

Increase in Provision for Income Taxes

The increase was brought about by the payment of 30% regular income tax on the sale of various investments.

Increase in unrealized gain in market value of AFS

The group purchased various equity investments from foreign markets amounting to a total of ₱157M. As of September 30, 2012, the group recognized ₱12.5M unrealized loss on market value of listed shares. The current market price and value of Philippine Peso has contributed to the depreciation in value of listed equity investments.

Increase in Exchange Differences arising from translation of AFS Investments

This was brought about by the revaluation on the foreign currency denominated Available for Sale investments.

Decrease in Cash & Cash Equivalents

Cash and cash equivalents decreased by ₱76 million as of 3rd Quarter 2012 as compared to the same period last year due to the net effect of the following:

Cash Inflows:

- The Company collected as of September 30, 2012 a total of P33.1M or 2.9% of the total projected cash inflows from condominium sales. The projected cash inflow is computed at P65,000 per s.qm. for condo units and standard of P450,000 for each parking slots based on the original plan.
- Interest Received from amount owed to Puyat Steel, IPI, placements on time deposits and Foreign bonds amounted to ₱19.70M;
- Proceeds from Sale of AG&P, Premiere shares and various foreign shares;
- Payment of International Pipe Industries of their advances amounting to ₱3M.
- Dividend Income from various stocks investments amounting to ₱3.70M

Cash Outflows:

- Real estate held for sale increased by ₱246 Million as of September 30, 2012;
- Investment in Available for sale shares amounting to ₱198M;
- Investment in Bonds amounting to ₱85.35M;and
- Acquisition of Property and Equipment amounting to ₱3.80 Million;

Decrease in Accounts Receivable

This was principally due to the sale of shares in Premiere Bank, the proceeds of which is being held in escrow and will be released only upon presentation of the original Certificates Authorizing Registration of shares covering at least 75% of the Outstanding Capital Stock. The increase in accounts receivable was also due to the increase in advances of sales and marketing employees for various selling and marketing activities.

Increase in Installment Contract Receivables

Out of the P33.1M collection from the buyers, P14.8M is applied to Instalment Contract Receivable.

Increase in Real Estate for Sale

Total Cost amounting to ₱558M was added to the inventory as of period ending September 30, 2012.

Decrease in due from Related Parties

IPI has made a partial payment of ₱3M.

Increase in Prepayments and Other Current Assets

Increase is due to increase in input VAT related to the increase in development cost as well as the payment of RCIT for the 3rd Quarter of 2012.

Decrease in Available for Sale investments

This was due to the net effect of the sale of AG&P shares and the purchase by the group of domestic and foreign 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.

Decrease in Deferred Exploration Cost

Due to the write-off of deferred exploration cost amounting to ₱21M.

Increase in other Non Current Assets

This pertains to advances made by the group from possible investment ventures and noncurrent portion of input taxes.

Increase in Customer Advances & Deposits

Collections from customers not yet applied to sales. The Company collected as of September 30, 2012 a total of P33.1M or 2.9% of the total projected cash inflows from condominium sales.

Increase in Retained Earnings – unappropriated

The sale of AG&P shares, Premiere shares and other foreign shares has caused the increase in retained earnings of the group.

Increase in Treasury Shares

Due to the acquisition of the Parent company of its own stock amounting to ₱639,600. 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 at a level that is much lower 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.

Results and Plans of Operation

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 where in 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

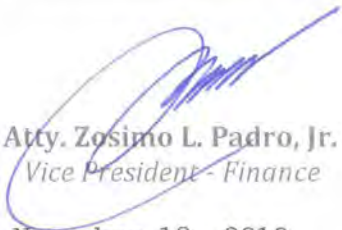
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.



SOUTH CHINA RESOURCES, INC.
Issuer


Atty. Magilyn T. Loja
Corporate Secretary

Date : November 18, 2013


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

Date : November 18, 2013

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

	2013	CY 2012
	September (Unaudited)	December (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	392,806,518	659,437,345
Accounts receivable	7,788,234	48,575,758
Installment Contract Receivable	37,132,378	
Real Estate for Sale	860,020,007	660,056,016
Due from Related Parties	21,781,122	72,919,608
Prepayments and other current assets	75,710,117	14,836,796
Total Current Assets	1,395,238,375	1,455,825,523
Noncurrent Assets		
Real Estate for Development	38,458,668	
Available-for-sale (AFS) investments - net	332,682,982	290,576,239
Property and equipment - net	17,882,184	19,174,495
Other Noncurrent Assets	50,942,583	34,883,378
Total Noncurrent Assets	439,966,416	344,634,112
TOTAL ASSETS	1,835,204,791	1,800,459,635
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other liabilities	61,140,565	88,105,661
Customer Advances & Deposits	56,169,136	
Unrealized Gross Profit	13,063,309	
Income Taxes Payable	65,949	7,758,921
Total Current Liabilities	130,438,959	95,864,582
Deferred Tax Liability	1,322,249	1,322,249
Total Noncurrent Liabilities	144,890,465	104,945,752
Total Liabilities	131,761,208	97,186,831
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued -600489568.87 shares as of Sep 30,2013	600,489,569	600,489,569
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	76,517,500
Additional paid in capital	72,272,140	72,272,140
Unrealized valuation gains on available for sale investments	26,460,388	18,499,717
Retained Earnings - Appropriated	500,000,000	500,000,000
Retained Earnings - Unappropriated	431,289,947	436,534,628
Treasury Shares	(3,585,960)	(1,040,750)
Total Equity	1,703,443,584	1,703,272,804
TOTAL LIABILITIES AND EQUITY	1,835,204,791	1,800,459,635

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

	As of September 30	
	2013 (Unaudited)	2012 (Unaudited)
ASSETS		
Current Assets		
Cash and cash equivalents	392,806,518	719,825,111
Accounts receivable	7,788,234	37,996,628
Installment Contract Receivable	37,132,378	17,593,724
Real Estate for Sale	860,020,007	558,150,514
Due from Related Parties	21,781,122	67,126,497
Prepayments and other current assets	75,710,117	40,682,285
Total Current Assets	1,395,238,375	1,441,374,760
Noncurrent Assets		
Investment in Bonds	-	85,351,551
Real Estate for Development	38,458,668	
Available-for-sale (AFS) investments - net	332,682,982	205,321,484
Deferred exploration costs - net of allowance for impairment	-	50,000
Property and equipment - net	17,882,184	19,184,772
Other Noncurrent Assets	50,942,583	4,178,213
Total Noncurrent Assets	439,966,416	314,086,020
TOTAL ASSETS	1,835,204,791	1,755,460,780
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	61,140,565	26,800,309
Customer Advances & Deposits	56,169,136	19,004,636
Unrealized Gross Profit	13,063,309	3,885,937
Income Taxes Payable	65,949	
Total Current Liabilities	130,438,959	49,690,882
Deferred Tax Liability	1,322,249	
Total Noncurrent Liabilities	1,322,249	-
Total Liabilities	131,761,208	49,690,882
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued - 600,489,568.87 shares as of Sep 30, 2013	600,489,569	600,489,569
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	76,517,500
Additional paid in capital	72,272,140	72,272,140
Unrealized valuation gains on available for sale investments	26,460,388	12,903,403
Retained Earnings- Appropriated	500,000,000	500,000,000
Retained Earnings- Unappropriated	431,289,947	444,226,886
Treasury Shares	(3,585,960)	(639,600)
Total Equity	1,703,443,584	1,705,769,897
TOTAL LIABILITIES AND EQUITY	1,835,204,791	1,755,460,780

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

	As of September 30	
	2013	2012
	(Unaudited)	(Unaudited)
REVENUES		
Real Estate Sales	24,267,658	32,442,275
Cost of Sales	18,077,148	25,410,177
Gross Profit Before Unrealized Profit	6,190,510	7,032,098
Deferred Gross Profit	(1,067,863)	(3,885,937)
Realized Gross Profit for 2013 sales	5,122,647	3,146,161
Realized Gross Profit for 2012 sales	2,414,733	
Total Realized Gross Profit	7,537,380	3,146,161
Net interest income	10,305,809	19,307,147
Other Income	2,610,712	317,324
Foreign exchange Gain - net	19,798,449	
Gain on Sale of AFS Financial Assets	6,328,029	152,340,296
Dividend Income	4,355,515	3,702,696
	50,935,894	178,813,625
COST AND EXPENSES		
Sales, General and administrative expenses	56,114,628	91,714,642
	56,114,628	91,714,642
Gain/(Loss) on Disposal of Noncurrent Asset Held for Sale		32,153,046
Foreign Exchange Losses	-	(9,701,305)
Net Income (Loss) Before Tax	(5,178,734)	109,550,723
Provision for Income Tax	125,433	4,103,688
Net Income (Loss)	(5,304,168)	105,447,035
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	7,960,671	2,513,784
Share in Unrealized (Loss) / Gain on AFS of an Associate	-	
Total Comprehensive Income / (Loss)	2,656,503	107,960,819
Basic/Diluted Income (Loss) Per Share	N/A	0.1756

* Computed as = $\frac{\text{Net income(loss) for the period}}{\text{Weighted average number of shares}}$ $\frac{(5,304,168)}{598,247,151}$ $\frac{105,447,035}{600,489,569}$

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

	For the three months ended July 01 - September 30	
	2013	2012
	(Unaudited)	(Unaudited)
REVENUES		
Real Estate Sales	14,544,264	
Cost of Sales	11,439,128	
Gross Profit before Unrealized Profit	3,105,136	-
Deferred Gross Profit	(254,559)	521,782
Realized Gross Profit for 2013 sales	2,850,577	521,782
Realized Gross Profit for 2012 sales	784,717	
Total Realized Gross Profit	3,635,294	521,782
Interest Income	2,273,741	6,787,198
Other Income	1,730,360	411,143
Gain on Sale of AFS Financial Assets	137,679	29,698
Foreign Exchange Gain -net	1,007,676	
Dividend Income	1,928,121	2,014,830
	10,712,871	9,764,650
COST AND EXPENSES		
Sales, General and administrative expenses	18,349,224	21,903,261
	18,349,224	21,903,261
Foreign Exchange Losses	-	(2,507,990)
Net Income (Loss) for the quarter before Tax	(7,636,353)	(14,646,602)
Provision for Income Tax	65,949	
Net Income (Loss) for the quarter	(7,702,302)	(14,646,602)
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	9,795,638	7,036,251
Total Comprehensive Income (Loss) for the Quarter	2,093,336	(7,610,351)
Basic /Diluted Income (Loss) Per Share for the Quarter	N/A	N/A
* Computed as = $\frac{\text{Net income(loss) for the period}}{\text{Weighted average number of shares}}$	$\frac{(7,702,302)}{598,247,151}$	$\frac{(14,646,602)}{600,489,569}$

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

	As of September 30	As of Dec 31
	2013	2012
	(Unaudited)	(Audited)
REVENUES		
Real Estate Sales	24,267,658	20,303,767
Cost of Sales	18,077,148	14,558,716
Gross Profit Before Unrealized Profit	6,190,510	5,745,051
Deferred Gross Profit	(1,067,863)	
Realized Gross Profit for 2013 sales	5,122,647	5,745,051
Realized Gross Profit for 2012 sales	2,414,733	
Total Realized Gross Profit	7,537,380	5,745,051
Net interest income	10,305,809	26,768,573
Foreign exchange Gain - net	19,798,449	
Gain on Sale of HTM Investments		1,274,911
Gain on Sale of AFS Financial Assets	6,328,029	183,593,532
Dividend Income	4,355,515	4,300,582
Other Income	2,610,712	879,933
	50,935,894	222,562,582
COST AND EXPENSES		
Sales, General and administrative expenses	56,114,628	140,032,341
	56,114,628	140,032,341
Gain/(Loss) on Disposal of Noncurrent Asset Held for Sale		32,153,046
Net Income (Loss) Before Tax	(5,178,734)	114,683,287
Provision for Income Tax	125,433	12,824,822
Net Income (Loss)	(5,304,168)	101,858,465
Other Comprehensive Income (Losses):		
Unrealized (Loss) / Gain in Market Value of AFS	7,960,671	8,110,098
Share in Unrealized (Loss) / Gain on AFS of an Associate	-	
Total Comprehensive Income / (Loss)	2,656,503	109,968,563
Basic/Diluted Income (Loss) Per Share	N/A	0.1696

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

	As of September 30	
	2013 (Unaudited)	2012 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(5,053,301)	109,550,722
Adjustments for:		
Provision for impairment on deferred exploration costs	-	21,563,806
Depreciation	1,766,196	5,682,796
Revaluation on Bonds	(5,068,094)	
Impairment in value of available-for-sale investments	-	7,455
Net foreign exchange losses/(gains)	(19,833,843)	9,701,305
Interest income	(10,257,758)	(19,307,147)
Dividend Income	(4,355,515)	
Equity in net losses (income) of associates (Note 9)	-	
Gain/(Loss) on Disposal of Noncurrent Asset Held for Sale	-	(32,153,046)
Gain on sale of investment	(6,328,029)	(151,549,168)
Operating loss before working capital changes	(49,130,343)	(56,503,276)
Changes in Assets and Liabilities:		
Accounts receivable	(765,230)	(29,910,412)
Construction Work in progress		(110,534,626)
Advances to Contractors & Consultants	-	
Real Estate for Development	(38,458,668)	
Real Estate for Sale	(199,963,990)	
Installment Contract Receivable	(28,906,573)	(17,593,724)
Other Current Assets	(61,085,739)	
Prepayments and other current assets	212,419	(22,997,492)
Accounts Payable & Accrued Expenses	42,267,349	11,445,702
Net cash used in operations	(335,830,775)	(226,093,829)
Interest received	5,591,092	19,744,364
Income tax paid	(7,884,355)	(5,087,863)
Net cash flows used in operating activities	(338,124,038)	(211,437,328)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions:		
AFS investments	(68,724,599)	(198,335,445)
Investment in Bonds	-	(85,351,551)
Property and equipment	(473,885)	(3,821,394)
Decreases (Increases) in:		
Due from Affiliates	-	(17,052)
Deferred Exploration Costs	-	(50,000)
Investment Property	-	
Other noncurrent assets	(15,278,901)	(355,022)
Project Advances	(780,305)	
Exchange Differences on AFS Investments	-	(2,259,634)
Advances to Related Parties	(514,625)	
Interest Received - Bonds	3,961,853	
Dividend Received	4,607,585	
Collection of Receivable from Sale of Investments	31,937,644	
Proceeds from Sale of Investments	45,880,296	498,053,506
Payments received from Related Parties	53,624,906	3,000,000
Net cash flows from (used in) investing activities	54,239,970	210,863,408

CASH FLOWS FROM A FINANCING ACTIVITY		
Purchase of Treasury Shares	(2,545,210)	(61,600)
Net cash flows from (used in) iFinancing activities	(2,545,210)	(61,600)
EFFECT OF EXCHANGE RATE CHANGES		
ON CASH AND CASH EQUIVALENTS	19,798,449	(9,701,305)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(266,630,828)	(10,336,825)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	659,437,346	730,161,936
CASH AND CASH EQUIVALENTS AT END OF YEAR	392,806,518	719,825,111

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

	Common Stock Issued	Subscribed - Net	Additional Paid-In Capital	Unrealized Gains/(Loss) on AFS Investments	Retained Earnings Appropriated	Unappropriated	Treasury Shares	TOTAL
Balances at January 01,2012	600,489,569	76,517,500	72,272,140	10,389,619	500,000,000	334,676,164	(578,000)	1,593,766,992
Collections of Subscription Receivable								-
Issuance of Common Stock								-
Acquisition of Treasury Shares							(61,600)	(61,600)
Total Comprehensive Income 3rdQ 2012				2,513,784		109,550,721		112,064,506
Balances at September 30,2012	600,489,569	76,517,500	72,272,140	12,903,403	500,000,000	444,226,886	(639,600)	1,705,769,897
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							(2,545,210)	(2,545,210)
Total Comprehensive Income 3rdQ 2013				7,960,671		(5,244,683)		2,715,988
Balances at September 30,2013	600,489,569	76,517,500	72,272,140	26,460,388	500,000,000	431,289,947	(3,585,960)	1,703,443,584

SOUTH CHINA RESOURCES, INC. AND SUBSIDIARY
KEY PERFORMANCE INDICATORS

	<u>KEY FINANCIAL RATIOS</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
I.	Current/Liquidity Ratios	10.70 x	29.01 x
II.	Solvency Ratio	N/A	267.09%
III.	Debt-to-equity ratio (in x)	0.0766 x	0.0291 x
IV.	Asset to Equity Ratio	1.0773 x	1.0291 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity	N/A	6.18%
	Return on Assets	N/A	6.01%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	-71.51%	605.72%
	Net Income Growth/ (Decline)	-105.03%	15724.20%
	EBITDA	(2,205,601)	Php 132,721,093

South China Resources, Inc. and Subsidiary

Aging of Accounts Receivable

As of September 30, 2013

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	21,643,333	143,333				21,500,000			
2 Accrued Interest - Time Deposit PHP	24,094	24,094							
3 Accrued Interest - Time Deposit USD	18,590	18,590							
4 Accrued Interest - Foreign Bonds	1,248,860	1,248,860							
5 Officers and employees	6,450,981	902,355	491,052	50,546	1,007,029	4,000,000			
6 South China Petroleum Int'l.	137,788		100	12,191		27,135	98,362		
7 IGC Securities, Inc.	37,309	111	8,260	28,938					
8 SSS	8,400					8,400			
9 Others	-								
Subtotal	29,569,356	2,337,343	499,412	91,675	1,007,029	25,535,535	98,362		
Less: Allow. For Impairment losses on receivables	-	-	-	-	-	-	-	-	-
A/R - net	29,569,356	2,337,343	499,412	91,675	1,007,029	25,535,535	98,362		NONE
Net Receivables	29,569,356	2,337,343	499,412	91,675	1,007,029	25,535,535	98,362	-	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
1) Amount owed by a related party	Receivable from third party IPI Industries, Inc. (Principal & Interest)	monthly payment of 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 September 30, 2013
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	14,458,500	
Aboitiz Equity Ventures, Inc.	7,800	351,000	
Alliance Global Group, Inc.	450,000	10,552,500	
Ayala Corporation	13,400	8,093,600	56,160
Aboitiz Power	100,000	3,150,000	173,500
Semirara Mining Corp	25,000	6,000,000	631,200
Metropolitan Bank & Trust Co.	119,600	9,926,800	92,000
Metro Pacific Investments, Inc.	850,500	3,827,250	
Lepanto Consolidated Mining Company "A"	2,078,000	862,370	
Manila Mining Corporation "A"	26,480,000	609,040	
DMCI Holdings, Inc.	139,250	6,405,500	306,350
GT Capital Holdings, Inc.	14,650	11,134,000	
Atlas Mining	130,000	1,586,000	
Manila Water Company, Inc.	265,000	7,473,000	101,230
Nickel Asia Corp.	189,375	2,897,438	53,025
SM Investments, Corp.	8,750	6,825,000	82,600
		94,151,998	1,496,065
<i>Listed - Foreign</i>			
AIA Group LTD	36,600	7,493,018	46,081
Apple, Inc.	740	5,240,753	190,029
Amazon Com Inc	385	15,360,694	
BOC Hong Kong (Holdings) Limited	72,000	10,069,548	492,103
China Mobile Limited 941	17,500	8,516,963	305,083
China Shenhua Energy Co Ltd	22,000	2,916,170	133,955
Chunghwa Telecom Co Ltd	64,000	8,945,777	417,090
Cosco Pacific Ltd	66,000	4,396,497	67,270
EMC Corporation (US Stock)	2,700	3,004,782	8,174
Genting Berhard	14,000	1,965,221	6,361
Hang Seng Bank LTD	15,000	10,657,612	340,405
HKT Trust & HKT Ltd.	103,000	4,211,596	238,756
Industrial and Commercial Bank of China	165,000	5,013,712	
Lenovo Group Limited 992	110,000	5,010,622	85,024
Mapletree Logistics Trust	120,000	4,451,185	70,820
Oracle Corporation	1,700	2,455,177	6,213
Posco ADR	1,625	5,210,214	94,341
President Chain Store Corp	20,000	6,302,546	115,203
Qualcomm Inc.	2,300	6,745,565	65,303
Samsung Electronics GDR	190	5,277,919	21,455
Schlumberger LTD	1,350	5,193,712	50,816
Standard Chartered PLC 2888	4,500	4,736,529	103,851
Sun Hung Kai Prop. Ltd 016	7,000	4,147,903	
		137,323,717	2,858,335
<i>Not Listed - Domestic</i>			
Wackwack Golf & Country Club	1	11,825,000	
Southwest Resources, Inc.		3,333,500	
Mt. Malarayat Golf & Country Club	1	130,000	
		15,288,500	
Allowance for Impairment on AFS - Unlisted		(3,333,500)	
		11,955,000	
Investment in Foreign Bonds <i>in USD</i>			
BW Group Ltd	\$ 500,000	22,247,431	1,049,801
Wiseyear Holdings Ltd	\$ 200,000	9,215,955	317,065
Hutchison Whampoa Int 11 Ltd	\$ 200,000	8,884,588	293,243
Wheelock Finance Ltd	\$ 200,000	9,173,141	240,137
Stats Chippac Ltd	\$ 100,000	4,495,316	171,169
Wharf Finance Ltd	\$ 200,000	9,211,709	250,648
SM Investments Corp	\$ 200,000	8,926,206	351,877
Citic Pacific Ltd Bond	\$ 200,000	8,394,512	458,612
Soho China Ltd. Bond	\$ 200,000	8,703,408	367,259
			(94,355)
	\$ 2,000,000	89,252,267	3,405,456
TOTAL AVAILABLE FOR SALE FINANCIAL ASSETS		332,682,982	

SOUTH CHINA RESOURCES, INC. & SUBSIDIARY

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

As of September 30, 2013

		Beginning Balance	Additions	Ending Balance
		December 31, 2012		As of September 30, 2013
SOC Land Development, Corp.		489,989,820	238,496,666.00	728,486,486

South China Resources, Inc. and Subsidiary

Map of the Relationships of the Companies within the Group

As of September 30, 2013 and September 30, 2012

