



**SuperCity Realty Development Corporation**

*Service... Reliability... Development... Care...*

Date : November 12, 2010 File No. : PSE 2010-017  
To : Ms. Janet A. Encarnacion From : SRDC  
Head, Disclosure Department  
Subject : SEC Form 17-Q for the Interim Reports Ended September 30, 2010

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Madam:

We hereby submit/upload SEC Form 17-Q for the Interim Financial Reports for the quarter ended September 30, 2010

If you have further queries, please feel free to call the undersigned.

Thank you.

Prepared by:

A handwritten signature in black ink, appearing to read "Enrique C. Cunanan".

Enrique C. Cunanan  
Officer-In-Charge

SEC Number  
File Number

A200008385

**SUPERCITY REALTY DEVELOPMENT  
CORPORATION**

\_\_\_\_\_  
(Company's Full Name)

**Unit 1223 City & Land Mega Plaza,  
ADB Avenue Corner Garnet Rd.  
Ortigas Center, Pasig City**

\_\_\_\_\_  
(Company Address)

**638-7779**

\_\_\_\_\_  
(Telephone Number)

**December 31**

\_\_\_\_\_  
(Calendar Year Ending – Month & Day)

**SEC Form 17-Q**

\_\_\_\_\_  
(Form Type)

\_\_\_\_\_  
Amendment Designation (If Applicable)

**September 30, 2010**

\_\_\_\_\_  
Period Ended Date

\_\_\_\_\_  
(Secondary License Type and File Number)

**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, 2010**
2. Commission identification number **A200008385**    3. BIR Tax Identification No. **206-816-824**
4. Exact name of issuer as specified in its charter  
**SUPERCITY REALTY DEVELOPMENT CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization  
**METRO MANILA, PHILIPPINES**
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office Postal Code  
**UNIT 1223 CITY & LAND MEGA PLAZA, ADB AVE.**  
**CORNER GARNET ROAD, ORTIGAS CENTER, PASIG CITY** **1605**
8. Issuer's telephone number, including area code **(632)6387779**
9. Former name, former address and former fiscal year, if changed since last report **NOT APPLICABLE**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class amount outstanding	Number of shares of common stock outstanding and of debt	
<b>COMMON SHARES – P 1 par value</b>	<b>No. of Shares</b>	<b>Amount</b>
<b>Authorized</b>	<b>155,000,000</b>	<b>155,000,000.00</b>
<b>Issued</b>	<b>110,000,000</b>	<b>110,000,000.00</b>
<b>Subscribed</b>	<b>110,000,000</b>	<b>110,000,000.00</b>

11. Are any or all of the 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:  
**PHILIPPINE STOCK EXCHANGE                      COMMON STOCK**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes  No

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

Yes  No

**SUPERCITY REALTY DEVELOPMENT CORPORATION**  
**Statements of Financial Positions**  
**As of September 30, 2010 and December 31, 2009**

	<u>30-Sep-10</u>	<u>*Based on Audited FS 31-Dec-09</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	720,485	2,875,110
Trade & other receivables (Note 1)	78,840,745	75,070,155
Prepayments and other current assets (Note 2)	17,866,326	20,597,656
<b>Total current assets</b>	<u><b>97,427,556</b></u>	<u><b>98,542,921</b></u>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables (Note 3)	96,918	96,918
Property and equipment - net (Note 4)	1,224	4,902
<b>Total non-current assets</b>	<u><b>98,142</b></u>	<u><b>101,820</b></u>
<b>TOTAL ASSETS</b>	<u><u><b>97,525,698</b></u></u>	<u><u><b>98,644,741</b></u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables (Note 5)	23,799,107	25,667,347
Provision for repairs	821,111	821,111
<b>Total current liabilities</b>	<u><b>24,620,218</b></u>	<u><b>26,488,458</b></u>
<b>NON-CURRENT LIABILITIES</b>		
Retirement benefit obligation	838,163	742,397
<b>Total Liabilities</b>	<u><b>25,458,381</b></u>	<u><b>27,230,855</b></u>
<b>EQUITY</b>		
Capital stock	110,000,000	110,000,000
Additional paid-in capital	1,509,641	1,509,641
Retained earnings	(39,442,324)	(40,095,755)
<b>Total equity</b>	<u><b>72,067,317</b></u>	<u><b>71,413,886</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u><b>97,525,698</b></u></u>	<u><u><b>98,644,741</b></u></u>

\* December 31, 2009 figures were audited by Punongbayan & Araullo.

**SUPERCITY REALTY DEVELOPMENT CORPORATION**  
**Statements of Comprehensive Income**  
**For the 9-month periods ended September 30, 2010 and 2009**

<b>Account Title</b>	<b>July - September</b>		<b>January - September</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>REVENUES</b>	1,138,988	2,150,500	37,289,566	52,294,676
<b>CONTRACT COSTS</b>	819,986	1,978,460	33,717,012	47,614,302
<b>GROSS PROFIT</b>	319,002	172,040	3,572,554	4,680,374
<b>OPERATING EXPENSES</b>				
<b>Administrative expenses (Note 6)</b>	363,709	1,234,017	2,324,161	5,555,796
<b>Other operating expenses (Note 7)</b>	206,424	276,906	653,468	558,220
	570,133	1,510,923	2,977,629	6,114,016
<b>OPERATING PROFIT</b>	(251,131)	(1,338,883)	594,925	(1,433,642)
<b>OTHER INCOME (CHARGES)</b>				
Other gains - net	321,711	6,410	338,547	49,998
	321,711	6,410	338,547	49,998
<b>INCOME BEFORE TAX</b>	70,580	(1,332,473)	933,473	(1,383,644)
<b>TAX EXPENSE</b>	21,174	(399,742)	280,042	(384,390)
<b>NET INCOME</b>	49,406	(932,731)	653,431	(999,254)
<b>Earning Per Share</b>				
Net Income/(Loss)	49,406	(932,731)	653,431	(999,254)
Shares Outstanding	110,000,000	110,000,000	110,000,000	110,000,000
<b>Earning/(Loss) per share</b>	<b>0.0004</b>	<b>(0.0085)</b>	<b>0.0059</b>	<b>(0.0091)</b>

<b>Note 1</b>	<b>Trade &amp; other receivables</b>	<b>As Of</b>	
		<b>09/30/2010</b>	<b>12/31/2009</b>
	Current:		
	Contract receivable (net of impairment)	68,638,501	64,106,508
	Advances to officers and employees	-	29,023
	Due from related parties(net of impairment)	10,202,244	10,202,244
	Others	-	732,380
		<b>78,840,745</b>	<b>75,070,155</b>

<b>Note 2</b>	<b>Prepayments and other current assets</b>	<b>As Of</b>	
		<b>09/30/2010</b>	<b>12/31/2009</b>
	Creditable Withholding tax	17,068,339	16,938,959
	Advances to suppliers and subcontractors	689,987	3,144,644
	Prepaid Expenses	108,000	514,053
		<b>17,866,326</b>	<b>20,597,656</b>

<b>Note 3</b>	<b>Non-current:</b>	<b>As Of</b>	
		<b>09/30/2010</b>	<b>12/31/2009</b>
	Security Deposits	92,918	92,918
	Others	4,000	4,000
		<b>96,918</b>	<b>96,918</b>

<b>Note 4</b>	<b>Property and equipment - net</b>	Furniture	Transportation	Construction	Total
		and Fixtures	Equipment	Equipment	
	Balance at January 1, 2010 net of accumulated depreciation & amortization	4,902	-	-	4,902
	Additions	-	-	-	-
	Disposals	-	-	-	-
	Depreciation & amortization charges for the January - June	(3,678)	-	-	(3,678)
	Balance at September 30, 2010 net of accumulated depreciation and amortization	<b>1,224</b>	<b>-</b>	<b>-</b>	<b>1,224</b>

<b>Note 5</b>	<b>Trade and other payables</b>	<b>As Of</b>	
		<b>09/30/2010</b>	<b>12/31/2009</b>
	Trade	2,425,328	2,958,895
	Deposit from buyer	-	-
	Advances from customers	6,386,978	8,025,841
	Deferred output valued-added taxes	10,637,639	10,636,032
	Retention fees	4,336,248	2,758,079
	Provision for contract losses	-	-
	Accrued expenses	8,252	531,468
	Miscellaneous	4,661	757,032
	Total	<b>23,799,107</b>	<b>25,667,347</b>

Note 6	July - September		January - September	
	2010	2009	2010	2009
<b>Administrative Expenses:</b>				
Salaries and employee benefits	174,330	771,252	973,968	3,063,369
Taxes and licenses	135,258	383,960	812,830	1,880,797
Depreciation and amortization	1,226	2,155	3,678	19,190
Professional fees	15,000	30,000	420,000	470,000
Rent	37,895	46,650	113,685	122,439
	<u>363,709</u>	<u>1,234,017</u>	<u>2,324,161</u>	<u>5,555,795</u>

Note 7	July - September		January - September	
	2010	2009	2010	2009
<b>Other Operating Expenses:</b>				
Subscription	(10,696)	5,041	20,779	52,685
Seminars and training	-	-	-	-
Light and water	21,215	20,019	60,769	51,602
Stationery and supplies	1,157	2,409	8,708	13,633
Communications	8,964	35,210	22,433	81,024
Miscellaneous	185,783	214,227	540,779	359,276
	<u>206,424</u>	<u>276,906</u>	<u>653,468</u>	<u>558,220</u>



**SUPERCITY REALTY DEVELOPMENT CORPORATION**  
**Statements of Changes in Equity**  
**For the 9-month periods ended September 30, 2010 & 2009**

	Authorized Shares	Issued and Outstanding Shares	Capital Stock	Additional Paid-in Capital	Retained Earnings(Deficit)	Total
Balance at January 1, 2010	115,000,000	110,000,000	P 110,000,000	P 1,509,641	(P 40,095,755)	P 71,413,886
Net Income for Jan.-Sept	-	-	-	-	653,431	653,431
Balance at June 30, 2010	<b>115,000,000</b>	<b>110,000,000</b>	<b>110,000,000</b>	<b>1,509,641</b>	<b>(39,442,324)</b>	<b>72,067,317</b>
Balance at January 1, 2009	115,000,000	110,000,000	P 110,000,000	P 1,509,641	(P 14,739,269)	P 96,770,372
Net Income for Jan.- September	-	-	-	-	(999,254)	(999,254)
Balance at Sept. 30, 2009	115,000,000	110,000,000	110,000,000	1,509,641	(15,738,523)	95,771,118

**SUPERCITY REALTY DEVELOPMENT CORPORATION**  
**Statements of Cash Flows**  
**For the 9-month periods ended September 30, 2010 and 2009**

	Jan - Sept 2010	Jan - Sept 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	933,473	(1,383,644)
Adjustments for:		
Depreciation and amortization	3,678	369,772
Interest income	(321,711)	(6,410)
Operating income before working capital changes	615,440	(1,020,282)
Decrease (Increase) in trade and other receivables	(3,770,590)	5,620,937
Decrease (Increase) in construction materials	-	2,384,968
Decrease (Increase) in prepayments and other current assets	2,731,330	(1,290,322)
Increase (Decrease) in trade payables and other payables	(1,868,240)	(20,176,126)
Increase (Decrease) retirement benefit obligation	95,766	95,765
Cash Generated from (used in) Operations	(2,196,294)	(14,385,060)
Interest paid	-	-
Applied for Income taxes	(280,042)	384,390
<b>Net Cash From (Used in) Operating Activities</b>	<b>(2,476,336)</b>	<b>(14,000,670)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	321,711	6,410
Acquisitions of property and equipment	-	-
<b>Net Cash From (Used in) Investing Activities</b>	<b>321,711</b>	<b>6,410</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(2,154,625)</b>	<b>(13,994,260)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>2,875,110</b>	<b>16,254,560</b>
<b>CASH AT END OF PERIOD</b>	<b>720,485</b>	<b>2,260,300</b>

SUPERCITY REALTY DEVELOPMENT CORPORATION  
Schedule of Aging of Accounts Receivable Trade  
As of September 30, 2010

Client	Current	1 - 30 days	31 - 60 days	61 - 90 days	Overdue	Total
Extraordinary (EDC)					4,987,868	4,987,868
First Advance Corp(FADC)					946,825	946,825
Earth+Style (ESC)					476,563	476,563
Acerhomes (ADC)					3,012,737	3,012,737
Earth Aspire (EAC)					124,775	124,775
Earth Prosper (EP)						-
Verdant Point (VPC)	33,046,308	24,831,324				57,877,632
Kaiser Realty (KRDC)					1,164,566	1,164,566
One Asia (OADC)					47,535	47,535
Total	33,046,308	24,831,324	-	-	10,760,869	68,638,501

Item 1.5. Earnings Per Share

The Company's earnings per share is presented on the face of the Income Statements on page 5 of this report. Said earnings per share is computed by dividing net income by the number of outstanding common shares.

Item 1.6. Disclosure that the issuer's interim financial report is in compliance with the accordance with generally accepted accounting principles in the Philippines as set forth in PFRSs

The interim financial report of the Company is in compliance with accordance with generally accepted accounting principles in the Philippines as set forth in PFRSs

Item 1.7. Notes to Financial Statements

Item 1.7.a. Accounting Policies and Methods

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The principal accounting policies adopted in preparing the financial statements of the Company are as follows:

1. The financial statements have been prepared in accordance with generally accepted accounting principles in the Philippines as set forth in PFRSs.
2. The financial statements have been prepared on a historical cost basis. The measurement bases are more fully described in the accounting policies below.
3. The financial statements are presented in Philippine pesos, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated.
4. Financial assets are classified into financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company's financial assets, which consist mainly of cash and trade receivables, are recognized on their trade date and are initially recognized at fair value, plus transaction costs.
5. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses. Any change in their value is recognized in profit or loss. Loans and receivables are presented as Trade and Other Receivables in the balance sheets.

Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

6. Derecognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.
7. Construction materials are valued at the lower of cost and net realizable value. Cost of construction materials is based on purchase cost on a moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
8. Property and equipment are stated at cost less accumulated depreciation, amortization and impairment in value, if any. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.
9. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Construction equipment	5-10 years
Transportation equipment	5 years
Furniture and fixtures	3 years

Leasehold improvements are amortized over 3 years or the term of the lease, whichever is shorter.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.

The Company's property and equipment are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

10. Investment property is stated at cost less any impairment in value. The cost of investment property comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for maintenance are

charged to expense as incurred. When investment property are sold, retired or otherwise disposed of, their cost and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in income for the period.

The carrying amount of investment property is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company determined whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generated cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

11. Non-Current Asset Classified as Held-for-sale include investment property that the Company intends to sell within one year from the date of classification as held-for-sale.

Non-current asset classified as held-for-sale is measured at the lower of its carrying amount, immediately prior to the classification as held-for-sale, and its fair value less costs to sell. The profit or loss arising from the sale or revaluation of held-for-sale assets is recognized in the income statement.

12. Financial liabilities include bank loans and trade and other payables. Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognized as an expense in the statement of income under the caption Finance Costs.

Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.

*Financial liabilities are derecognized from the balance sheet only when the obligations are extinguished either through discharge, cancellation or expiration.*

13. Revenue and Cost Recognition. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific revenue recognition criteria must also be met before revenue is recognized:

- Revenues and costs from contracts – Revenue is recognized based on actual work done which is consistent with the percentage-of-completion method. Under this method, revenues are recognized in proportion to the actual stage of completion of the project as a percentage of total estimated costs for each contract as determined and certified by project engineers. Costs are recognized based on actual costs incurred. Adjustments in the contract price or the estimated costs are recorded prospectively when they become known while anticipated losses on the contracts are recorded in full when determined.
  - Rental income – Revenue is recognized when the amount of the agreed rent is billed and earned.
  - Scrap sales – Revenue is recognized when the title of the scrap construction materials passes to the buyer.
  - Forfeiture income – When the performance of contractually agreed tasks is not completed by the subcontractors at the specified time in the contract, a portion of the retention fees payable is forfeited and recognized as income.

Cost and expenses are recognized in the statement of income upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

14. Leases. Company as lessee – Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Company as lessor – Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease

income from operating leases is recognized as income in the statement of income on a straight-line basis over the lease term. Indirect costs incurred by the lessor in negotiating and arranging for an operating lease is added to the carrying amount of the leased asset and recognized as expense over the lease term.

15. *Retirement Benefit Obligations*

The Company has not established a formal retirement plan. However, it recognizes the estimated defined benefit obligations (under Republic Act No. 7641, the "Retirement Act") using the Projected Unit Credit Method as computed by an actuary.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's defined benefit pension plan covers all regular full-time employees.

The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are not recognized as an expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past-service costs are recognized immediately in the statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

16. *Income Taxes*. Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of income.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity

17. *Equity*. Capital stock is determined using the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuing of capital stock. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

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

Item 1.7.b. Comments about the seasonality or cyclicity of interim operations

For the past few years, the Company's construction activities are sluggish during the first (1<sup>st</sup>) quarter. It peaks starting on the summer months, that is, during the second (2<sup>nd</sup>) to the third (3<sup>rd</sup>) quarter of the year. There are instances, however, when the Company is still active in its construction projects during the last quarter of the year especially when the Developers accumulate their inventory in time for the influx of buyers in December. For the three quarters of the current year, this cyclicity was evident; however, due to stiff competition, the company may only be able to maintain the revenues for the last quarter.

Item 1.7.c. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents

See Item 2.2.e

Item 1.7.d. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have material effects in the current interim period

There were no changes in estimates reported in prior periods which could materially affect the current interim period.

Item 1.7.e. Issuances, repurchases and repayments of debt and equity securities

For the first three quarters of this year, there were neither payments nor availments of interest-bearing loans. Likewise, there were no issuances, repurchases or repayments of equity securities.

Item 1.7.f. Payment of dividend

There were no dividends paid during the first quarter of the year.

Item 1.7.g. Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting

As of September 30, 2010, the Company has not yet started any real estate development projects. Currently, the Company is continuously engaged in the business of construction, its sole business activity where it utilizes the services of subcontractors. Hence, no segment information and disclosures are presented in the Company's financial statements.

Item 1.7.h. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

There are no material events subsequent to September 30, 2010 that have not been reflected in the financial statements for the nine (9)-month period covered January to September 30, 2010.

Item 1.7.i. Effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition, or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

There were no changes in the composition of the Company during the interim period.

Item 1.7.j. Changes in contingent liabilities or contingent assets since the last annual balance sheet date

There were no changes in contingent liabilities or contingent assets since December 31, 2009.

Item 1.7.k. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period

There are commitments, guarantees and contingent liabilities relating to construction projects entered into by the Company that arise in the normal course of business which are not reflected in the interim financial statements. Management believes, however, that any loss that could arise from these commitments and contingencies will not have a material effect on the Company's financial statements as of and for the nine-month period ending September 30, 2010.

Following are the Schedules required under SRC Rule 68.1-M:

*Schedule A – Marketable Securities*

The Company has no marketable securities. Thus, the schedule is omitted.

*Schedule B – Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)*

Name and Designation of Debtor	As of September 30, 2010					Balance at End Of Period
	Balance at Beginning of Period	Additions	Amounts Collected (2)	Current	Not Current	
E Cunanan / ADGM- Finance & Admin	29,023		29,023	-		-
Total	29,023	-	29,023	-	-	-

*Schedule C – Non-Current Marketable Equity Securities, Other Long-Term Investments in Stocks, and Other Investments*

The Company has no Non-Current Marketable Equity Securities, Other Long-Term Investments in Stocks, and Other Investments. Thus, the schedule is omitted.



*Schedule D – Indebtedness to Unconsolidated Subsidiaries and Related Parties*

The Company has no indebtedness to Unconsolidated Subsidiaries and Related Parties. Thus, the schedule is omitted.

*Schedule E – Intangible Assets – Other Assets*

The Company has no intangible assets. Thus, the schedule is omitted.

*Schedule F – Long-Term Debt*

The Company has no long-term debt. Thus, the schedule is omitted.

*Schedule G – Indebtedness to Related Parties*

The Company has no indebtedness to related parties. Thus, the schedule is omitted.

*Schedule H – Guarantees of Securities of Other Issuers*

The Company has no guarantees of securities of other issuers. Thus, the schedule is omitted.

Supercity Realty Development Corporation

As of September 30, 2010

*Schedule I – Capital Stock*

Title of Issue	No. of shares authorized	No. of shares issued and outstanding	No. of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Related parties	Directors, officers and employees	Others
Common	155,000,000	110,000,000			56,175,000	53,825,000

Note: Certain officers, directors and stockholders of these related parties purchased shares of stock in the Company's initial public offering.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

Item 2.1. Comparable discussion that will enable the reader to assess material changes in financial condition and results of operation since the end of the last fiscal year and for the comparable interim period in the preceding financial year

### Financial Condition

#### *Total Assets*

The Company's total assets amounted to P 97.53M as of September 30, 2010, 1.13% lower than the December 31, 2009 figure of P 98.64M. There was only a minimal change on the total assets of the company since it has no unusual business transactions. The decrease was brought about by the recoupment of advances from subcontractors recorded under prepayments accounts.. Also, the other assets decreased due to the collection of Meralco refundable deposit. Other accounts almost remain the same.

#### *Property and Equipment*

Property and equipment as of December 31, 2009 amounted to P 4.9K. It dropped to P1.2K as of September 30, 2010, a 75% decrease. The decrease was due to provision for regular monthly depreciation and amortization of the company's property and equipment. Moreover, the Company now employs subcontractors that can provide the necessary equipment.

#### *Total Liabilities*

The Company's total liabilities as of September 30, 2010 amounted to P 25.46M, a 6.51% decrease as compared to the December 31, 2009 balance of P 27.23M. The decrease was primarily brought by the recoupment of advances from customer account in 2010. However, there was an increase in retention fees accounts for subcontractors' billings.

#### *Liquidity*

The Company posted a current ratio of 3.96:1 as of September 30, 2010 higher than the 3.72:1 current ratio as of December 31, 2009. The slight increase can be attributed to the increase in the trade receivable accounts for services rendered to customers.

#### *Leverage*

Debt-to-equity ratio as of September 30, 2010 was determined to be 0.35:1 lower than the 0.38:1 ratio as of December 31, 2009. The decrease was brought about by the decrease on the trade payables accounts. However, the equity portion increased only by the meager income earned for the given period.

## Results of Operation

### *Revenues*

Revenues from contracts for 2010Q3 amounted to P 1.14M, 47.04% lower than the P 2.15M in 2009Q3. The decreased can be attributed to lower construction activities for the third quarter of the year 2010 particularly due to the completion of JNB projects in the year 2009. Moreover, contract revenues for the 2010Q3 were generated only from the Green Breeze and Eastwood Greenview projects in Montalban, Rizal

### *Gross Profit*

Gross profit from construction contracts increased by 85.42% from P 0.17M in 2009Q3 to P 0.32M in 2010Q3. On the other hand, gross profit ratio had increased from 8.00% in 2009Q3 to 28.01% in 2010Q3. Thus, the increase in gross profit ratio resulted to higher gross profit.

### *Cost and Expenses*

Costs and expenses for 2010Q3 amounted to P 1.39M, 60.61% lower than the P 3.49M in 2009Q3. Cost of services for 2010Q3 comprised 49% of the total costs and expenses. Cost of services increased by 58.55% from P 1.98M in 2009Q3 to P 0.82M in 2010Q3. The decrease was primarily brought about by the decrease in revenue generated in 2010Q3 as this account is variable in nature.

For the total operating expenses, 2010Q3 amounted to P 0.57M, 62.27% lower than the 2009Q3 of P 1.51M. The decrease was primarily brought about by the lower salaries and wages and related cost due to the decrease in manpower as the company effected the restructuring of its organization.

### *Operating Profit*

As a result of the foregoing, operating profit in 2010Q3 amounted to P 0.61M against the (P 0.16M) in 2009Q3. Correspondingly, operating margin ratio increased to 4.53% in 2010Q3. The increase can be attributed to the lower administrative expenses as discussed in the cost and expenses above.

### *Other Income / Charges*

No financing costs incurred in 2010Q3 and in 2009Q3 since there was no interest-bearing loans for the given quarter.

Other gains increase from P 6.41K in 2009Q3 to P 321K in 2010Q3, the increase can be attributed to the interest earned from the Meralco meter deposit in the 2010Q3.

### *Net Income*

As a result of the lower administrative expenses and interest earned from the Meralco meter deposit this 2010Q3, net income increased from (P 933K) in 2009Q3 to P 49K in 2010Q3. This likewise resulted to the increase of net income ratio to 4.34% in 2010Q3. Finally, this translated into earnings per share of P0.0004 in 2010Q3.

## **Key Performance Indicators**

### *Return on Investment (ROI)*

The Company computes return on investment (ROI) by dividing net income for the period by the weighted average capital stock, wherein capital stock equals capital stock subscribed plus net additional paid-in capital. This is to determine how much stockholders have earned on their investment in the Company.

For 2010Q3, the Company posted an ROI of 0.04% compared to the 2009Q3 ROI of (0.85%). The increase in ROI can be attributed to the net income generated for the given period through the reduction of administrative and other operating expenses.

### *Fixed Assets Turnover*

Fixed assets turnover is computed as sales for the period divided by the average fixed assets. A significant portion of the fixed assets (property and equipment, net of accumulated depreciation) is composed of construction and other site-based equipments. Since these equipments are major components in generating revenues, the fixed assets turnover is therefore deemed important. The higher the fixed assets turnover, the better it is for the Company. A high fixed assets turnover ratio would mean that the Company was able to make full use of its assets in generating revenues.

The Company posted a fixed assets turnover rate of 3,063 times in 2010Q3 higher than the 31 times in the same period of the year 2009Q1. The increase in the fixed assets turnover rate can be attributed to the lower average fixed assets base in the period of 2010Q3 due to the sale of property and equipment made in the year 2009 which resulted to lower average fixed assets in the year 2010 though the sales revenue for the given periods is lower in 2010. The Company now hires the services of subcontractors who can provide necessary equipment.

### *Inventory Turnover/Days in Inventory*

Inventory turnover is computed by dividing the cost of goods sold for the period by the average inventory while days in inventory is computed as 90 days divided by inventory turnover. The Board of Directors and the Management find these performance indicators relevant as they indicate how long the Company utilizes its inventory, composed of construction materials and other supplies, in land development, house construction and specialty/miscellaneous works. The higher the inventory turnover and the lower the days in inventory, the better it is for the Company. Fast turnover and short days in inventory would translate into faster conversion of investment in inventories into revenues and eventually cash inflow.

The Company posted inventory turnover rate of 1.23 times for 2009Q3 and in 2010 the Company did not maintain any inventory anymore by awarding the projects to its accredited subcontractors including the materials requirements.

### *Current Ratio*

Current ratio is computed as current assets divided by current liabilities. The Board of Directors and the Management believe that this is an important measure of the liquidity of the Company as it reflects the capacity of the Company to pay for its short-term maturing obligations particularly trade payables, bank loan and advances from customers. The higher the current ratio, the better it is for the Company.

Current ratio as of September 30, 2010 was computed at 3.96:1 higher than the 3.72:1 ratio at the beginning of the year. The slight increase can be attributed to the increase in trade receivable accounts for the services rendered by the company to its clients.

### *Debt to Equity Ratio*

Debt-to-equity ratio is computed by dividing the Company's liabilities by the total stockholders' equity as of the end of the year. The leverage ratio indicates how the Company's operations are financed, that is, either by debt or equity. A 1:1 debt equity ratio is the preferred ratio as it favors both the creditors and the stockholders.

Debt-to-equity ratio as of September 30, 2010 was determined to be 0.35:1 slightly lower than the 0.38:1 times as of December 31, 2009. The slight decrease was brought about by the decrease on the trade payables and advances from customer accounts. However, the equity portion increased only by the meager income earned for the given period

Item 2.2. Discussion and analysis of material event/s and uncertainties known to Management that would address the past and would have an impact on future operations of the following:

2.2.a. Any known trends, demands, commitments, events, uncertainties that will have a material impact on the issuer's liquidity

There are no material commitments that may affect the company's liquidity.

2.2.b. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures

There are no material commitments for capital expenditures.

2.2.c. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations

The first three quarters of the year 2010, the Company generated its revenue from construction activities. The Management expects that Company will still continue to engage in construction until such time that its plan to engage into real estate business is pursued.

2.2.d. Any significant elements of income or loss that did not arise from the issuer's continuing operations

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

2.2.e. The causes of any material change/s (5% or more) from period to period in one or more line items of the issuer's financial statements (present in tabular form)

**Balance Sheets Items:**

Account Title	As Of		Inc/(Dec)		Remarks
	30-Sep-10	31-Dec-09	Amount	%	
Cash	720,485	2,875,110	(2,154,625)	-75%	Cash were used to pay overdue trade payables and accrued expenses; these were taken from collections and advances paid for construction services
Trade and other receivables	78,840,745	75,070,155	3,770,590	5%	Increase in the trade receivable account for the construction services rendered but not yet collected
Prepayments and other current assets	17,866,326	20,597,656	(2,731,330)	-13%	Decrease is due to the recoupment of advances to subcontractors
Property and equipment - net	1,224	4,902	(3,678)	-75%	Due to recognition of depreciation, there were no fixed assets acquired this year
Trade and other payable	23,799,107	25,667,347	(1,868,240)	-7%	Decrease is due to the recoupment of advances from customers
Retirement Obligation	838,163	742,397	95,766	13%	Due to recognition of retirement obligation for the quarter

**Income Statement Items:**

Account Title	For the Quarter Ending		Inc/(Dec)		Remarks
	09.30.10	09.30.09	Amount	%	
Revenues	1,138,988	2,150,500	(1,011,512)	-47%	The decrease can be attributed to minimal projects awarded to the Company in 2010
Contract Cost	819,986	1,978,460	(1,158,474)	-59%	The decrease is caused by lesser construction activities as reflected in the above revenue item since this item is variable in nature
Administrative Expenses	363,709	1,234,017	(870,308)	-71%	Decrease is mainly due to the reduction of manpower
Administrative Expenses	206,424	276,906	(70,482)	-25%	Decrease pertains to the reduction of communication expenses and office supplies
Other gains - net	321,711	6,410	315,301	4919%	Interest income earned for the 2010Q3 includes interest earned from the Meralco meter deposit
Net Income	49,406	(932,731)	982,137	-105%	Increase due to the reduction of administrative and other operating expenses. Also the interest earned from Meralco meter deposit contributed on this income in 2010Q3

2.2.f. Any seasonal aspects that had a material effect on the financial condition or results of operations

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

**PART II--OTHER INFORMATION**

**NONE**


**SIGNATURES**

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

Issuer **SUPERCITY REALTY DEVELOPMENT CORPORATION**

Date.....

Principal Financial/Accounting Officer/Controller

Signature and Title \_\_\_\_\_ /  / **MR. ENRIQUE C. CUNANAN**  
**ADGM-Finance & Admin**

Date .....November 12, 2010