SEC Number **A200008385**
File Number

SUPERCITY REALTY DEVELOPMENT CORPORATION
(Company's Full Name)

41st Floor Joy Nostalg Center
No. 17 ADB Avenue
Ortigas Center, Pasig City
(Company Address)

8638-7779
(Telephone Number)

December 31
(Calendar Year Ending – Month & Day)

SEC Form 17-Q
(Form Type)

Amendment Designation (If Applicable)

September 30, 2019
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, 2019**

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
41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVENUE
ORTIGAS CENTER, PASIG CITY   **1605**

8. Issuer's telephone number, including area code **(632)86387779**

9. Former name, former address and former fiscal year, if changed since last report
N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class   Number of shares of common stock outstanding and
amount   of debt
outstanding

COMMON SHARES – P 1 par value	**No. of Shares**	**Amount**
Authorized	**155,000,000**	**155,000,000.00**
Issued	**110,000,000**	**110,000,000.00**
Subscribed	**110,000,000**	**110,000,000.00**

11. Are any or all of the 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:
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 [**X**] No [ ]

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

Yes [**X**] No [ ]

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Financial Positions
As of September 30, 2019 and December 31, 2018

	30-Sep-19	**Based on Audited FS* 31-Dec-18
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	15,207,526	11,995,819
Trade & other receivables (Note 1)	24,469,531	10,532,707
Prepayments and other current assets (Note 2)	33,855,957	27,129,437
Total current assets	**73,533,014**	**49,657,963**
TOTAL ASSETS	**73,533,014**	**49,657,963**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables (Note 3)	54,140,591	30,722,107
Due to related parties	608,805	11,608,805
Provision for repairs	133,032	133,032
Total current liabilities	**54,882,428**	**42,463,944**
Total Liabilities	**54,882,428**	**42,463,944**
EQUITY		
Capital stock	110,000,000	110,000,000
Additional paid-in capital	1,509,641	1,509,641
Revaluation Reserve	-	-
Deficit	(92,859,055)	(104,315,622)
Total equity	**18,650,586**	**7,194,019**
TOTAL LIABILITIES AND EQUITY	**73,533,014**	**49,657,963**

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Comprehensive Income
For the 9-month periods ended September 30, 2019 and 2018

Account Title	July-Sept **2019**	July-Sept **2018**	Jan - Sept **2019**	Jan - Sept **2018**
REVENUES	54,909,934	14,155,666	157,908,662	31,625,165
CONTRACT COSTS	50,554,732	12,279,798	138,900,516	27,090,701
GROSS PROFIT	4,355,203	1,875,868	19,008,146	4,534,464
OPERATING EXPENSES	51,350,130.55	12,826,956.26	141,551,949.17	29,614,799.42
Administrative expenses (Note 4)	542,546	267,273	1,654,064	1,317,245
Other operating expenses (Note 5)	252,853	279,886	997,369	1,206,854
	795,399	547,159	2,651,433	2,524,099
OPERATING PROFIT	3,559,804	1,328,710	16,356,713	2,010,365
OTHER INCOME (CHARGES)				
Other gains - net	4,125	1,032	9,812	3,014
	4,125	1,032	9,812	3,014
INCOME BEFORE TAX	3,563,929	1,329,742	16,366,525	2,013,380
TAX EXPENSE	1,069,179	398,922	4,909,958	604,014
NET INCOME	2,494,750	930,819	11,456,567	1,409,366
Earning Per Share				
Net Income	2,494,750	930,819	11,456,567	1,409,366
Shares Outstanding	110,000,000	110,000,000	110,000,000	110,000,000
Earning per share	**0.0227**	**0.0085**	**0.1042**	**0.0128**

Note 1

Trade & other receivables	**As Of 09/30/2019**	**12/31/2018**
Current:		
Contract receivable (net of impairment)	24,212,239	10,311,915
Advances to related parties	208,264	192,764
Others	49,028	28,028
	24,469,531	**10,532,707**

Note 2

Prepayments and other current assets	**As Of 09/30/2019**	**12/31/2018**
Creditable Withholding tax	22,359,865	19,084,844
Advances to suppliers and subcontractors	10,135,297	6,683,798
Prepaid Expenses	1,360,795	1,360,795
	33,855,957	27,129,437

Note 3

Trade and other payables	**As Of 09/30/2019**	**12/31/2018**
Deferred output valued-added taxes	6,195,661	1,539,040
Advances from customers	13,641,853	11,661,393
Retention fees	16,704,655	8,576,189
Trade payables	11,218,132	7,378,798
Other payables and accrued expenses	6,380,290	1,566,687
Total	54,140,591	30,722,107

Note 4

	July-Sept		**Jan - Sept**	
	2019	**2018**	**2019**	**2018**
Administrative Expenses:				
Salaries and employee benefits	62,783	-	173,102.00	208,753
Taxes and licenses	299,763	90,273	628,962.00	289,392
Professional fees	180,000	177,000	852,000.00	819,100
	542,546	267,273	1,654,064	1,317,245

Note 5

	July-Sept		**Jan - Sept**	
	2019	**2018**	**2019**	**2018**
Other Operating Expenses:				
Subscription	3,665	3,493	255,354	263,837
Contractual and service fees	162,481	146,618	488,544	443,003
Communiication, Light and water	24,577	11,657	60,983	44,292
Stationery and supplies	34,968	11,096	55,061	23,072
Miscellaneous	27,162	107,023	137,427	432,651
	252,853	279,886	997,369	1,206,854

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Changes in Equity
As of September 30, 2019 and December 31, 2018

	Capital Stock	Additional Paid-in Capital	Retained Earnings(Deficit)	Total
Balance at January 1, 2019	P 110,000,000	P 1,509,641	(P 104,315,622)	P 7,194,019
Net Income for Jan-Sept	-	-	11,456,567	11,456,567
Balance at Sept 30, 2019	**P 110,000,000**	**P 1,509,641**	**(P92,859,055)**	**P 18,650,586**
Balance at January 1, 2018	P 110,000,000	P 1,509,641	(P 106,212,558)	P 5,297,083
Net Income for Jan-Sept	-	-	1,409,366	1,409,366
Balance at Sept 30, 2018	P 110,000,000	P 1,509,641	(P104,803,192)	P 6,706,449

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Cash Flows
For the 9-month periods ended September 30, 2019 and 2018

	Jan - Sept 2019	Jan - Sept 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	16,366,525	2,013,380
Adjustments for:		
Interest income	9,812	3,015
Operating income before working capital changes	16,376,337	2,016,396
Decrease (Increase) in trade and other receivables	(13,936,824)	(5,511,428)
Decrease (Increase) in construction materials		
Decrease (Increase) in prepayments and other current assets	(6,726,520)	(6,308,707)
Increase (Decrease) in trade payables and other payables	23,418,484	11,250,201
Increase (Descrease) retirement benefit obligation	-	(101,220)
Cash Generated from (used in) Operations	19,131,477	1,345,242
Applied for Income taxes	(4,909,958)	(604,015)
Net Cash From (Used in) Operating Activities	**14,221,519**	**741,227**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	(9,812)	(3,015)
Net Cash From (Used in) Investing Activities	**(9,812)**	**(3,015)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for Non-Interest-Bearing Loans	(11,000,000)	0
Net Cash From (Used in) Financing Activities	(11,000,000)	**0**
NET INCREASE (DECREASE) IN CASH	**3,211,707**	**738,213**
CASH AT BEGINNING OF YEAR	**11,995,819**	**4,652,040**
CASH AT END OF PERIOD	**15,207,526**	**5,390,253**

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule of Aging of Accounts Receivable Trade
As of September 30, 2019

Client	Current	1 - 30 days	31 - 60 days	61 - 90 days	Overdue	Total
Earth+Style (ESC)	-				42,159	42,159
Cenq	24,170,080				-	24,170,080
Total	24,170,080	-	-	-	42,159	24,212,239

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 Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

   The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expenses. The measurement bases are more fully described in the accounting policies that follow:

   NEW INTERPRETATIONS, REVISIONS AND AMENDMENTS TO PFRS

(a) New Interpretations, Revisions and Amendments adopted in 2018

The Company adopted for the first time the following PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2018:

PFRS 9 : Financial Instruments

PFRS 15 : Revenue from Contracts with Customers; Clarification to PFRS15

Discussed below are the relevant information about these new standards.

(i) PFRS 9, *Financial Instruments* (issued in 2014). This new standard on financial instruments replaced PAS 39, *Financial Instruments: Classification and Measurement,* and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments, i.e., financial assets at amortized costs, fair value through profit and loss (FVTPL), and fair value through other comprehensive income (FVOCI);
- an expected credit loss (ECL) model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,
- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

The adoption of this new standard had no significant impact on the Company's financial statements as to presentation and measurement of financial assets since they are continued to be measured at amortized cost. The adoption of PFRS 9 also had no significant impact on the Company's financial liabilities. However, the application of the ECL model, resulted in additional impairment losses amounting to P11.0 million as of January 1, 2018

(ii) PFRS 15, *Revenue from Contract with Customers,* together with the *Clarifications to PFRS 15* (herein referred to as PFRS 15). This standard replaced PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: International Financial Reporting Interpretations Committee (IFRIC) 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company's adoption of PFRS 15 has resulted in changes in its accounting policies, but has not resulted in any adjustment to the amounts recognized in the Company's financial statements since management determined that the
Company's revenue pro cess, significant judgments or assumptions and recognition thereto based on the facts and circumstances surrounding its business activities related to the services rendered did not significantly change and remain appropriate prior to and upon adoption of PFRS 15

(b) Effective in 2018 that is not Relevant to the Company

The following amendments to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2018 but are not relevant to the Company's financial statements:

PAS 40 (Amendments) : Investment Property – Reclassification to and from Investment Property
PFRS 2 (Amendments) : Share-based Payment – Classification and Measurement of Share-based Payment Transactions

PFRS 4 (Amendments) : Insurance Contracts – Applying PFRS 9 with PFRS 4
International Financial Reporting Interpretations Committee (IFRIC) 22 : Foreign Currency Transactions and Advance Consideration
Annual Improvements to PFRS (2014-2016 Cycle) PAS 28 (Amendments) : Investment in associates – Clarification on Fair Value Through Profit or Loss Classification
PFRS 1 (Amendments) : First-time Adoption of Philippine Financial Reporting Standards – Deletion of Short-term Exemptions

(c) Effective Subsequent to 2018 but not Adopted Early

There are new PFRS, amendments, interpretations and annual improvements to existing standards effective for annual periods subsequent to 2018, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation* (effective from January 1, 2019). The amendments clarify that prepayment features with negative compensation attached to financial instruments may still qualify under the solely payments of principal and interest (SPPI) test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at FVOCI.
(ii) IFRIC 23, *Uncertainty over Income Tax Treatments* (effective from January 1, 2019). The interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Company to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Company has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above.

(iii) Among the Annual Improvements to PFRS 2015-2017 Cycle (effective from January 1, 2019) only PAS 12 (Amendments), *Income Taxes – Tax Consequences of Dividends* is relevant to the Company but has no material impact on the Company's financial statements as these amendments merely clarify existing requirements. The amendments clarify that all income tax consequence of dividend payments should be recognized in profit or loss.

2. The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statement.* The Company presents all items of income and expenses in a single statement of comprehensive income.

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 cyclicality of interim operations

For the past few years, the Company's construction activities are sluggish during the first (1st) quarter. It peaks starting on the summer months, that is, during the second (2nd) to the third (3rd) 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. However, for the first quarter of the current year, the Company generated higher revenue since there are enough subsisting contracts from the year 2018 and there were newly awarded contract during the 2019Q3.

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 1st quarter 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 3rd 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, 2019, 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, 2019 that have not been reflected in the financial statements for the nine (9)-month period covered January to September 30, 2019.

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, 2018.

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, 2019.

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)

As of September 30, 2019

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected (2)	Current	Not Current	Balance at End Of Period
Related Parties:						
City and Life Property, Inc.	20,200	15,500	-	35,700	-	35,700
Extraordinary Dev. Corp	172,564	-	-	172,564	-	172,564
Total	192,764	15,500	-	208,264	-	208,264

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

As of September 30, 2019

Name of Designation of Debtor	Balance Beginning of Period	Additions	Amounts Collected (2)	Amounts Written off (3)	Current	Not Current	Balance at End Of Period
Extraordinary Dev. Corp.	11,608,805	-	(11,000,000)	-	608,805	-	608,805
Total	11,608,805	-	(11,000,000)	-	608,805	-	608,805

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.

Schedule I – Capital Stock

As of September 30, 2019

				No. of shares held by		
Title of Issue	**No. of shares authorized**	**No. of shares issued and outstanding**	**No. of shares reserved for options, warrants, conversion and other rights**	**Related parties**	**Directors, officers and employees**	**Others**
Common	155,000,000	110,000,000	-	-	56,220,000	53,780,000

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

Schedule of Financial Soundness Indicators

Financial Soundness Indicators	**Formula**	**9/30/2019**	**12/31/2018**
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.34 : 1	1.17 : 1
Solvency:			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	2.94 : 1	5.90 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	3.94 : 1	6.90 : 1
Interest-rate-coverage:			
*Interest-rate-coverage ratio	Profit Before Tax/Finance Costs	n/a	n/a
Profitability:			
Return-on-investment	Net Income/Average Capital Stock	10.42%	4.75%

*The Company has no existing interest-bearing loans as of the given period.

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

<u>Financial Condition</u>

Total Assets

The Company's total assets amounted 73.53M as of September 30, 2019, 48.08% higher than the December 31, 2018 figure of P 49.66M. There was an increase on the total assets of the company since it higher revenue was generated in 2019Q3 which resulted to higher trade receivable balance. The increase was brought about by the increase in trade receivables accounts.

Property and Equipment

Property and equipment as of December 31, 2018 were fully depreciated. The Company employs subcontractors that can provide the necessary equipment.

Total Liabilities

The Company's total liabilities as of September 30, 2019, amounted to P 54.88M a 29.24% increase as compared to the December 31, 2018 balance of P 42.46M. The increase was primarily brought by the increase in trade and other payable accounts.

Liquidity

The Company posted a current ratio of 1.34:1 as of September 30, 2019, a higher than the 1.17:1 current ratio as of December 31, 2018. The increase can be attributed to the increase in trade receivable accounts.

Leverage

Debt-to-equity ratio as of September 30, 2019, was determined to be 3.94:1 lower than the 5.90:1 ratio as of December 31, 2018. The decrease was brought about by the net income earned during the given quarter. However, there were increase in trade and other payable accounts.

<u>Results of Operation</u>

Revenues

Revenues from contracts for 2019Q3 amounted to P 54.91M, a 287.90% higher than the P 14.16M in 2018Q3. The increase can be attributed to the higher accomplishment for the newly awarded contract in 2019. Moreover, contract revenues for the 2019Q3 were generated from the Housing project in Tierra Verde Residences Phase I located in Carmona, Cavite.

Gross Profit

Gross profit from construction contracts increased by 132.17% from P 1.88M in 2018Q3 to P4.36M in 2019Q3. On the other hand, gross profit ratio decrease from 13.25% to 7.93%. Thus, resulted to higher gross profit in 2019Q3.

Cost and Expenses

Costs and expenses for 2019Q3 amounted to P 51.35M, 300% higher than the P 12.83M in 2018Q3. Cost of services increased by 311.69% from P12.28M in 2018Q3 to P 50.55M in 2019Q3. The increase was primarily brought about by the increase in revenue generated in 2019Q3 since most of these costs are variable in nature.

For the total operating expenses, 2019Q3 amounted to 0.80M, 45.37% higher than the 2018Q3 of 0.55M. The increase was primarily brought about by the increase in tax expenses for the given quarter in 2019.

Operating Profit (Loss)

As a result of the foregoing, operating profit (loss) in 2019Q3 amounted to P 4.36M from P1.88M in 2018Q3. However, operating margin (loss) ratio decreased from 13.25% in 2018Q3 to 7.93% in 2019Q3 due to higher cost of services. The increase in operating profit can be attributed to the higher sales revenues earned by the Company in 2019Q3 as discussed under revenue section above.

Other Income / Charges

No financing costs incurred in 2018Q3 and in 2019Q3 since there was no interest-bearing loans for the given quarter. Other income pertains only to interest earned by the Company for its bank deposits.

Net Income (Loss)

As a result of the higher revenue this 2019Q3, net income/(loss) increased from P 0.93M in 2018Q3 to P 2.49M in 2019Q3. This resulted to the net income/(loss) ratio of 6.58% in 2018Q3 to 4.54% in 2019Q3. Finally, this translated into earnings/(loss) per share of P0.0227 in 2019Q3 from P0.0085 in 2018Q3.

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 2019Q3, the Company posted an ROI of 2.27% compared to the 2018Q3 ROI of 0.85%. The increase in ROI can be attributed to the higher revenue and net income generated for the given period.

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.
However, in 2018Q3 and 2019Q3, the fixed assets were fully depreciated.

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, 2019 was computed at 1.34:1 higher than the 1.17:1 ratio at the beginning of the year. The increase can be attributed to the increase in the trade receivable accounts.

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, 2019 was determined to be 3.94:1 lower than the 5.90:1 times as of December 31, 2018. The decrease was brought about by the net profit earned during the 2019Q3. However there were increase in trade and other payables accounts..

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 3rd quarter of the year 2019, 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**
	09/30/2019	**12/31/2018**	**Amount**	**%**	
Cash & cash equivalents	15,207,526	11,995,819	3,211,707	27%	Increase was due to higher collection efficiency for the current year
Trade and other receivables	24,469,531	10,532,707	13,936,824	132%	Increase due to the increase in trade receivables for the construction services rendered but not yet paid
Prepayments and other current assets	33,855,957	27,129,437	6,726,520	25%	Increase is due to the creditable withholding tax account and down payment made to subcontractors for newly awarded contracts
Total Assets	73,533,014	49,657,963	23,875,051	48%	Increase due to increase in Cash and cash equivalents, Trade Receivables and Prepayment accounts as described above.
Trade and other payable	54,140,591	30,722,107	23,418,484	76%	Increase was due to the downpayment made for newly awarded contracts
Due to Related Parties	608,805	11,608,805	(11,000,000)	-95%	Decrease pertains to payment for the payables to related parties
Total Liabilities	54,882,428	42,463,944	12,418,484	29%	Increase was due to the increase in trade payable as described above
Retained Earnings(Deficit)	(92,859,055)	(104,315,622)	11,456,567	-11%	Difference pertains to income earned as described in the Income Statement Items below
Total equity	18,650,586	7,194,019	11,456,567	159%	Increase pertains to the income earned during the period
Total Liabilities and equity	73,533,014	49,657,963	23,875,051	48%	Increase was due to the increase in trade payable and other payable accounts as described above

Income Statement Items:

Account Title	For the Quarter Ending		Inc/(Dec)		Remarks
	09/30/2019	09/30/2018	Amount	%	
Revenues	54,909,934	14,155,666	40,754,269	288%	Increase was due to higher accomplishment for the given quarter in 2019Q3.
Contract Cost	50,554,732	12,279,798	38,274,934	312%	Increase was due to higher construction activities pertains to awarded contracts in 2019 plus the remaining accomplishment in 2018
Gross Profit	4,355,203	1,875,868	2,479,334	132%	Increase was due to higher profit margin generated in 2019Q3
Administrative expenses	542,546	267,273	275,273	103%	Increase was due to higher taxes and licenses paid in 2019Q3
Other operating expenses	252,853	279,886	(27,033)	-10%	Decrease was due to lower repairs and maintenance incurred in 2019Q3
Total Operating expenses	795,399	547,159	248,240	45%	Increase was due to higher taxes and licenses paid in 2019Q3
Other gains - net	4,125	1,032	3,093	300%	This pertains to interest earned for the given quarters
Income Before Tax	3,563,929	1,329,742	2,234,187	168%	Increase was due to higher revenue and profit margin generated in 2019Q3
Tax Expense	1,069,179	398,922	670,256	168%	Increase was due to higher income generated in 2019Q2.
Net Income	2,494,750	930,819	1,563,931	168%	Increase was due higher revenue and profit margin generated in 2019Q3

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, 2019