NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of stockholders of Supercity Realty Development Corporation (SRDC) on **Wednesday, 29 June 2016** at **2 o'clock in the afternoon** at the **Roof Deck (Function Room No. 3) of the Prestige Tower located along Ortigas Jr. Road in Ortigas Center, Pasig City**. . The agenda will be as follows:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Approval of 2015 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of Punongbayan & Araullo as External Auditors
9. Other Matters
10. Adjournment

In accordance with the rules of the Philippine Stock Exchange (PSE), the close of business on **3 June 2016** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

The time of registration for those who are personally attending the meeting will be announced shortly as soon as the physical arrangements have been finalized. All stockholders who will not, are unable, or do not expect to attend the meeting in person are requested to fill out, date, sign and send a proxy to the Corporation at 41st Floor Joy Nostalg Center, ADB Ave. Ortigas Center, Pasig City, Metro Manila, Philippines. All proxies should be received by the Corporation **at least two (2) days** before the meeting, or on or before **27 June 2016**. Proxies submitted shall be validated by a Committee of Inspectors on **29 June 2016** at 9:00 o'clock in the morning at 41st Floor Joy Nostalg Center, ADB Avenue, Ortigas Center, Pasig City. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

To avoid inconvenience in registering your attendance at the meeting, you or your proxy is requested to bring identification paper(s) containing a photograph and signature, e.g. passport, driver's license, or credit card.

City of Pasig, Metro Manila, 3 June 2016.

EMELITA MANGOSING
Corporate Secretary

SEC Number **A200008385**
File Number

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 20-IS (Definitive)
(Form Type)

Amendment Designation (If Applicable)

For Annual Stockholders' Meeting
dated June 29, 2016
Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter
   SUPERCITY REALTY DEVELOPMENT CORPORATION

3. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **A200008385**

5. BIR Tax Identification Code **206-816-824**

6. **41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVENUE ORTIGAS CENTER, PASIG CITY** — **1605**
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code **(632)6387779**

8. **JUNE 29, 2016 / Roof Deck (Function Room No. 3) of the Prestige Tower located along Ortigas Jr. Road in Ortigas Center, Pasig City**
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **JUNE 08, 2016**

10. ***In case of Proxy Solicitations:***

    Name of Person Filing the Statement/Solicitor: **Emelita Mangosing on behalf of the Registrant**
    Address and Telephone No.: **41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVENUE ORTIGAS CENTER, PASIG CITY / 638-7779**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding	
COMMON SHARES – P 1 par value	**No. of Shares**	**Amount**
Authorized	**155,000,000**	**155,000,000.00**
Subscribed	**110,000,000**	**110,000,000.00**
Issued and outstanding as of May 15, 2016	**110,000,000**	**110,000,000.00**

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ____✓___ No _______

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

<u>GENERAL INFORMATION</u>

Date, time and place of meeting of security holders

(a) The Annual Stockholders' Meeting of Supercity Realty Development Corporation (the "Company" or "SRDC") will be held on Wednesday, June 29, 2016 at 2 o'clock in the afternoon at the Roof Deck (Function Room No. 3) of the Prestige Tower located along Ortigas Jr. Road in Ortigas Center, Pasig City.
The Company's office and mailing address is at **41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVENUE ORTIGAS CENTER, PASIG CITY**

(b) The approximate date on which information statement shall be sent or given to security holders is on **June 08, 2016**.

Dissenters' Right of Appraisal

The instances stated in Title X, Section 81, of the Corporation Code, namely, (1) amendment to the articles of incorporation that has the effect of changing or restricting the rights of shares or creating preferences in new shares superior to outstanding shares, (2) extension or shortening of corporate term, (3) sale, conveyance, mortgage, or other disposition of all or substantially all of the corporate property and assets and (4) corporate mergers or consolidations, are not among the matters to be acted upon during the Annual Stockholders' Meeting, with respect to which any dissenting stockholder may exercise his appraisal right.

Following Title X of the Corporation Code, the appraisal right of any stockholder is two-fold: (1) to dissent in certain corporate actions affecting his investment or corresponding rights thereto and (2) to demand payment of the fair value of the shares subsequent to his exercise of his right to dissent.

In order to perfect the stockholders' appraisal right, the following shall be exercised:
(a) The stockholder voted against the proposed corporate action which can be any of the instances stated in Section 81 of the Corporation Code. Only under such cases can the stockholder exercise his appraisal right.
(b) The dissenting stockholder shall make a written demand to the Company within thirty (30) days from the date the vote is taken on the corporate action dissented from. Failure to do so within the given period shall mean waiver of the stockholders' right to dissent.
(c) If the proposed corporate action dissented by a stockholder is implemented, the Company shall pay such stockholder, upon surrender of the stock certificate representing his shares, at an amount agreed upon between the Company and the dissenting stockholder. If the settlement value cannot be agreed upon within sixty (60) days from the date the corporate action was approved, the amount shall be determined by three (3) disinterested persons chosen by the stockholder, the Company and the two thus chosen. The decision by the majority of the three (3) disinterested persons shall be final.
(d) The payment shall be made only when the Company has unrestricted retained earnings to cover such payment.
(e) Upon payment of the shares, the stockholder shall then transfer his shares to the Company.

There are no matters to be discussed in the Annual Stockholders' Meeting which will give rise to the exercise of the dissenter's right of appraisal

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

To the best knowledge of the Company, no director or officer of the Company, or nominee for election as a director of the Company or any associate of any of the foregoing persons, has any interest, directly or indirectly, by security holdings or otherwise, in any matter to be acted upon, other than election to office. No incumbent director has informed the Company in writing of an intention to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) As of May 15, 2016, the Company had 110,000,000 common shares outstanding and each share is entitled to one vote.

(b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is June 3, 2016.

(c) With respect to the election of seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).

(d) Security ownership of certain record and beneficial owners and management

Security Ownership of Certain Record and Beneficial Owners

As of May 15, 2016, the following own of record or beneficially, approximately the following number of shares representing more than 5% of the Company's issued and outstanding capital stock:

Title Of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	Wilfredo Uy *(1)* 1634 Pampanga St. Sta. Cruz Manila	Wilfredo Uy (same person)	Filipino	18,000,000	16.36
Common	Mylene Lim *(2)* 21 Alvir St. Little Baguio San Juan M.M.	Mylene Lim (same person)	Filipino	10,850,000	9.86
Common	Nimfa Leonco *(3)* 54 Gregory St. Saint Charbel Village Mindanao Avenue Q.C.	Nimfa Leonco (same person)	Filipino	10,850,000	9.86
Common	Arthur Lim *(4)* 21 Alvir St. Little Baguio San Juan M.M.	Arthur Lim (same person)	Filipino	7,150,000	6.50
Common	Ferdinand Soliman *(5)* 14 Mapagbigay St. Diliman Q.C.	Ferdinand Soliman (same person)	Filipino	7,150,000	6.50

(1) Ferdinand Soliman is currently the Chairman/President of the Company.
(2) Mylene Lim is currently a Managing Director and Treasurer of the Company.
(3) Ninfa Leonco was previously a director of the Company
(4) Arthur Lim was previously a director and Chairman/President of the Company
(5) Wilfredo Uy was previously a director and Chairman/President of the Company.

Security Ownership of Management

As of May 15, 2016, the following Directors and key officers owned, of record or beneficially, approximately the following number of shares of the Company's issued and outstanding capital stock:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	%
Common	Ferdinand Soliman	7,150,000	Direct	Filipino	6.50
Common	Mylene Lim	10,850,000	Direct	Filipino	9.86
Common	Noric Ng	3,000,000	Direct	Filipino	2.73
Common	Emelita Mangosing	10,000	Direct	Filipino	Nil
Common	Fernando Mamuyac	10,000	Direct	Filipino	Nil
Common	Enrique Cunanan	10,000	Direct	Filipino	Nil
Common	Maila Paredes	3,000	Direct	Filipino	Nil
Common	Jean Cestina	2,000	Direct	Filipino	Nil
Common	All directors and executive officers as a group	21,035,000			19.09

Voting Trust Holders of 5% or more

There is no party known to the Company as holding any voting trust or any similar arrangement for 5% or more of the Company's voting securities.

(e) There is no arrangement which may result in a change in control of the Company.

Directors and Executive Officers

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding Annual Meeting or until their respective successors have been elected and qualified.

The names, ages, current position, citizenship, and periods of service of all the incumbent Directors and Executive Officers of the Company for the last five (5) are as follows:

Board of Directors

The following are the incumbent members of the Board of Directors who are also nominated herein for election/re-election as members of the Board of Directors for 2016 – 2017**:**

Ferdinand Z. Soliman, 52, *Chairman and President*. Mr. Soliman is a Filipino citizen, and is a member of the board and has been its Corporate Secretary since the Company's incorporation. He became Managing Director in January 2002. In addition, he became a member of the Nomination Committee and of the Compensation and Remuneration Committee on May 12, 2004 and June 30, 2004, respectively. Mr. Soliman graduated from the Holy Angel University in 1985 with a Bachelor of Science degree in Civil Engineering. He also completed the Applied Business Economics Program from the University of Asia and the Pacific in 2002. He is a director of GPS Measurement. He was formerly affiliated with GP Construction & Development Corporation as CE Aide (1983 to 1984); Torre Planning & Design as Surveyor (1984 to 1985); Nico Construction as Project Engineer (1986 to 1988); White House Development Corporation as Section Head (1988 to 1993); Extraordinary Development Corporation as Project Manager (1994 to 1997); and Earth + Style Corporation as Department Head (1998 to 2001). He handles the Operations group of the Company.

Emelita M. Mangosing, 52, Corporate Secretary. Ms. Mangosing is a Filipino citizen, and is a member of the board since 2011 and became Corporate Secretary in June 2011. She graduated in 1985 from Central Luzon Polytechnic College presently known as Nueva Ecija University of Science and Technology with a Bachelor of Science degree in Civil Engineering. She is a licensed Civil Engineer with solid years of experience in construction industry. She served the Company for several years as Project Manager bringing with her more than 20 years of experience in construction and real estate project management. She is affiliated with Extraordinary Development Corporation as Head of the Procurement Management Unit. Moreover, she gained years of experience in construction with

Golden Bay Realty Development Corporation as Head of the Quality Control Department and at Supreme Housing Builders as Project Manager.

Mylene T. Lim, 51, *Managing Director and Corporate Treasurer*. Ms. Lim is a Filipino citizen, and is a member of the board since the Company's incorporation and became Managing Director in January 2002 and Assistant Corporate Secretary during the June 30, 2004 Organizational Meeting of the Board of Directors. She graduated from the University of Mindanao in 1985 with a Bachelor of Science degree in Architecture. She completed her Masters in Business Administration at the Ateneo Graduate School in 2001. She was formerly affiliated with Extraordinary Development Corporation as Section Head – Purchasing Dept. (1987 to 1990), Department Head – Purchasing Dept. (1990 to 1998), Administrative and R&D Head – Construction Group (1998 to 2000), and AVP – Central Purchasing (2000 to 2001). She is in charge of the Finance and Administration group of the Company.

Noric Terence T. Ng, 41, *Director*. Mr. Ng is a Filipino citizen, and is a director since January 23, 2002. He graduated from the Chiang Kai Shek College in 1997 with a Bachelor of Science degree in Computer Studies. He is currently an Assistant Plant Manager at Republic Biscuit Corporation.

Fernando Mamuyac, 51, *Director* and Acting Deputy General Manager-Operation, Filipino, He was elected as a member of the Board during the June 2010 annual Stockholders' Meeting. Engr. Mamuyac served the Company since May 2001, bringing with him more than 15 years of experience in project management gained from the private construction and real estate companies. He graduated from the Technological Institute of the Philippines in 1989 with a Bachelor of Science degree in Civil Engineering. He had attended Executive Training Program and various seminars on leadership, accounting, computer, and other technical seminars from various institutions

The members of the board shall hold office until their successors are elected and qualified in their stead, or until they shall have resigned or shall have been removed. The annual stockholder's meeting shall be held on June 29, 2016.

Independent Directors

Compliance with SRC Rule 38 (Guidelines on the Nomination and Election of Independent Directors)

The directors are elected at each annual general meeting by stockholders entitled to vote in accordance with the Company's By-Laws. Each director holds office until the next annual election and until his successor is duly elected, unless he resigns from office, is incapacitated and is unable to carry out his duties as director, or is removed prior to such election. In compliance with the Manual on Corporate Governance, the Nomination Committee reviewed the nominations and qualifications of the incumbent independent directors who will be nominated for election to the Board of Directors during the scheduled annual meeting of stockholders. In approving the nominations for election of independent directors, the Nomination Committee took into consideration the Guidelines on the Nomination of Independent Directors prescribed in SRC Rule 38, as amended.

The By-Laws of the Company were amended on January 31, 2006 to incorporate SRC Rule 38 of Amended Implementing Rules and Regulations of the SRC (the "SRC Rules") on the Requirements on Nomination and Election of Independent Directors.

Ms. Liza S. Niedo, 45, **Independent Director**. Ms. Niedo is a Filipino citizen. She graduated from Polytechnic University of the Philippines in April 1990 with a Degree of Bachelor in Accountancy. She took up post graduate studies and completed her Masters in Business Administration at Jose Rizal University in April 2010. She gained her 20 years of experience in the accounting profession through her work in various companies such as Prosperity Builders Resources Inc. as Finance Head, First Advance Development Corporation as IT-Consultant, and Extraordinary Development Corporation. She currently works as Treasury Head in Extraordinary Development Corporation, a real estate company.

Engr. Roseller C. Anacito, 51, ***Independent Director***. Engr. Anacito is a Filipino citizen. He graduated from University of Nueva Caceres in October 1986. He gained his 25 years of experience in project management from the private construction and real estate companies such as Extraordinary

Development Corporation and City and Life Property Inc as Project Manager. He also served the company as Project Manager in year 2002 to 2008. He is currently working as Head of the Construction Management Department at First Advance Development Corportation, a real estate company.

Ms. Liza Niedo and Engr. Roseller Anacito qualify as independent directors of the Company pursuant to SRC Rule 38, that is, they are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company. SRC Rule 38 provides that the Company shall have at least two (2) independent directors, or at least twenty percent (20%) of its board size, whichever is lesser. Given a board size of seven (7), the Company may have at least one (1) independent director.

The Nomination Committee, composed of Mr. Ferdinand Soliman as Chairman, Ms. Emelita Mangosing and Mr. Roseller Anacito as members, in a meeting held on May 10, 2016, indorsed the respective nominations in favor of Ms. Liza Niedo (by Mr. Ferdinand Soliman) and Engr. Roseller Anacito (by Ms. Emelita Mangosing). Mr. Ferdinand Soliman and Ms. Emelita Mangosing are not related in any manner to the nominees.

Attached as Annexes “A-1” and “A-2” are the sworn Certifications of Qualifications of Liza S. Niedo and Roseller C. Anancito, respectively

<u>Principal Officers</u>

The following are the principal officers of the Company and their respective areas of responsibility.

Ferdinand Z. Soliman, 52, *General Manager-Operations*, Filipino, heads the Operations Unit. Mr. Soliman is a Filipino citizen, and is a member of the board and has been its Corporate Secretary since the Company’s incorporation. He became Managing Director in January 2002. In addition, he became a member of the Nomination Committee and of the Compensation and Remuneration Committee on May 12, 2004 and June 30, 2004, respectively. Mr. Soliman graduated from the Holy Angel University in 1985 with a Bachelor of Science degree in Civil Engineering. He also completed the Applied Business Economics Program from the University of Asia and the Pacific in 2002. He is a director of GPS Measurement. He was formerly affiliated with GP Construction & Development Corporation as CE Aide (1983 to 1984); Torre Planning & Design as Surveyor (1984 to 1985); Nico Construction as Project Engineer (1986 to 1988); White House Development Corporation as Section Head (1988 to 1993); Extraordinary Development Corporation as Project Manager (1994 to 1997); and Earth + Style Corporation as Department Head (1998 to 2001). He handles the Operations group of the Company.

Mylene T. Lim, 51, *Managing Director and Principal Financial Officer*. Ms. Lim is a Filipino citizen, and is a member of the board since the Company’s incorporation and became Managing Director in January 2002 and Assistant Corporate Secretary during the June 30, 2004 Organizational Meeting of the Board of Directors. Currently, she is also the elected Treasurer of the Company. She graduated from the University of Mindanao in 1985 with a Bachelor of Science degree in Architecture. She completed her Masters in Business Administration at the Ateneo Graduate School in 2001. She was formerly affiliated with Extraordinary Development Corporation as Section Head – Purchasing Dept. (1987 to 1990), Department Head – Purchasing Dept. (1990 to 1998), Administrative and R&D Head – Construction Group (1998 to 2000), and AVP – Central Purchasing (2000 to 2001). She is in charge of the Finance and Administration group of the Company.

Fernando Mamuyac, 51, Acting Deputy General Manager-Operation, Filipino, He was elected as a member of the Board during the June 2010 annual Stockholders’ Meeting. Engr. Mamuyac served the Company since May 2001, bringing with him more than 20 years of experience in project management gained from the private construction and real estate companies. He graduated from the Technological Institute of the Philippines in 1989 with a Bachelor of Science degree in Civil Engineering. He had attended Executive Training Program and various seminars on leadership, accounting, computer, and other technical seminars from various institutions

Enrique C. Cunanan, 47, *Acting Deputy General Manager – Finance and Administration*, Filipino, heads the Finance Department. Mr. Cunanan has been with the Company since the start of its operation. He graduated from the Pampanga College in 1989 with a Bachelor of Science degree in Commerce and earned units in Masters of Science in Information Technology at the Ateneo Graduate School. He also had several training conducted by the Philippine Institute of Certified Public Accountants. He has been an Accountant since 1991 in several construction firms. He is the Company's Compliance Officer to the Securities and Exchange Commission (SEC) and Corporate Information Officer (CIO) to the PSE.

Significant Employees

There are no employees expected by the Company to make significant contribution to the business.

Family Relationships

There were no family relationship existed among the current directors and officers of the company

Involvement in Certain Legal Proceedings

The Company is not involved in, nor is any of its properties subject to, any material legal proceedings that could potentially affect its operations and financial capabilities.

The Company is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years:

- any bankruptcy petition filed by or against any business of which the incumbent Directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within two (5) years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent Directors or senior management of the Company;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent Directors or senior management of the Company in any type of business, securities, commodities or banking activities; and
- any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

The Company's related parties include entities under common ownership or control, and the Company's key management. The following is a summary of the transactions of the Company with its related parties:

Related Party	Amount of Transactions		Outstanding Balance	
Category	2015	2014	2015	2014
Related Parties under Common Ownership:				
Construction Services	14,622,067	18,590,194	83,674,508	82,091,441
Advances from Related Parties	-	1,693,903	8,929,400	8,929,400

Advances to Related Parties	5,939	8,055	8,741,550	8,735,611
Key Management Personnel:				
Compensation	790,725	845,382	904,972	645,064

The Company renders construction services to certain related parties under common ownership for certain real estate projects of the latter. Construction services are recognized based on the actual work done which is consistent with the percentage of completion method.

Total advances to related parties are presented as Advances to Related Parties under Receivables in the statement of financial position.

Movements in the Advances to Related Parties account are shown below:

	2015	2014
Balance at beginning of the year	8,735,611	8,727,556
Additions	5,939	8,055
Allowance for Impairment	(8,707,556)	(8,707,556)
Balance at end of year	33,994	28.055

Certain officers, directors and stockholders of these related parties purchased shares of stock of the Company through the Company's IPO. These shares were fully paid as of Record Date.

Disagreement with Directors

No director has resigned or declined to stand for re-election to the board of directors since June 24, 2015, the date of the last annual meeting of stockholders, because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Compensation of Directors and Executive Officers

The following table shows the aggregate compensation received by the President, Chief Operating Officer, Acting Deputy General Manager-Finance/Admin, Acting Deputy General Manager-Operations, and the most highly compensated officer of the Company for the years 2014, 2015 and 2016 (estimate only).

Summary Compensation Table:

Name and Principal Position	Year	Salary (₱)	Bonus (₱)
Enrique Cunanan, ADGM-Finance/Admin Engr. Fernando Mamuyac, ADGM-Operations Engr. Emelita Mangosing, PMU-Head Arch. Mylene Lim, Controller Engr. Ferdinand Soliman, CEO	2014 (actual)	845,382	Nil
	2015 (actual)	790,725	Nil
	2016 (estimate)	850,000	Nil
All Directors and Officers as a Group Unnamed	2014 (actual)	845,382	Nil
	2015 (actual)	790,725	Nil
	2016 (estimate)	850	Nil

Compensation of Directors

There are no other standard and other arrangements between the Company and the directors. However, the Company gives per diem to its directors in the amount of Php 4,000.00.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no compensatory plans or arrangements with respect to named executive officers that resulted or will result from the resignation, retirement or termination of such executive officer or from a change in control in the Company.

Warrants and Options Outstanding

There are no outstanding warrants and options held by the Company's directors and officers.

Independent Public Accountants

For the five (5) most recent fiscal years, the Company's independent public accountant has been Punongbayan & Araullo (P&A) and will be re-nominated for election as such for the current year. From 2001 to 2003, Mr. Benjamin P. Valdez was assigned as engagement partner. For 2004, the Company's account was assigned to Mr. Angel A. Aguilar Jr. For 2005, the account was assigned to Mr. Juan Carlos B. Robles and in 2006-2010, the account was assigned to Ms. Mailene Sigue-Bisnar. From 2011-2013 the account had been assigned to Mr. Christopher M. Ferareza. Presently the account is assigned to Mr. Ramilito L. Nanola. Representatives of P&A are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

The current handling partner of Punongbayan & Araullo has been engaged by the Company for the fiscal year 2015 and is expected to be rotated every five (5) years.

The members of the Audit Committee are Ms Lisa Niedo, an Independent Director, as Chairman, and Ferdinand Soliman and Mylene Lim as members.

External Audit Fees and Services

	2015	2014
Audit and Audit-Related Fees	360,000	360,000
Tax Fees	- nil -	- nil -
All Other Fees	- nil -	- nil -

Following are the criteria used in the selection of an external auditor:

1. The auditor must be among the list of accredited external auditors by the SEC.
2. No partner of the auditing firm must be related by consanguinity or affinity to the president, manager or principal stockholders of the Company.
3. The auditor must not have engaged in any irregularities with respect to any audit engagement.

Following are the criteria for the approval of audit fees:

1. The fee must not be based on any tax savings nor should it be based on revenues or net income.
2. The fee must be of a reasonable amount.
3. Discussion with the auditor must be made before the fee is finalized.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There was no event where P&A and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

FINANCIAL AND OTHER INFORMATION

a. Audited Financial Statements

A copy of Company's Audited Financial Statements for the year ended December 31, 2015 is attached hereto as **Annex "B"**.

b. Interim Financial Statements

A copy of Company's Interim Financial Statements for the quarter ended March 31, 2016 is attached hereto as **Annex "C"**.

The Management's Discussion and Analysis of Operations is incorporated in the Management Report

OTHER MATTERS

Action with Respect to Reports

The following are included in the agenda of the Annual Stockholders' Meeting for the approval of the stockholders:

- Minutes of the Annual Meeting of the Stockholders held on June 24, 2015 covering the following matters: i) election of Members of the Board, including Independent Directors; ii) approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2015; iii) approval and ratification of the Acts of the Board of Directors and Management; and iv) confirmation of the appointment of Punongbayan and Araullo as the Company's external auditor.
- Annual Report and Audited Financial Statements of the Company for the year ended December 31, 2015;
- Acts/Resolutions of the Board of Directors
  The following are the acts/resolutions of the Board of Directors since the last annual meeting held on June 24, 2015:

Date/Type of Meeting	Resolutions/Matters Approved
June 24, 2015/Board of Directors' Meeting	a) Election of officers: Ferdinand Soliman, Mylene Lim and Emelita Mangosing as Chairman, Treasurer and Secretary, respectively.
	b) Appointment of members of the Audit Committee: Lisa Niedo as Chairperson and Emelita Mangosing and Mylene Lim as Members
	c) Appointment of members of the Compensation and Remuneration committee: Roseller Anacito, Ferdinand Soliman and Mylene Lim
	d) Appointment of members of the Nomination Committee: Mylene Lim, Ferdinand Soliman and Ana Tensuan
May 21, 2015/Board of Directors' Meeting	Designated the members of the Committee of Inspectors, which shall oversee the validation of proxies for the Annual Stockholders' meeting
July 23, 2015/Board of Directors' Meeting	Confirmation of the Second Quarter Financial Reports for the quarter ended June 30, 2015
Oct. 22, 2015/Board of Directors' Meeting	Confirmation of the Third Quarter Financial Reports for the quarter ended September 30, 2015 Initial presentation of Annual Budget for 2015

Dec. 10, 2015/Board of Directors' Meeting	Confirmation of 2015 annual budget
April 2, 2016/Board of Directors' Meeting	Authorizing issue the 2015 financial statements
May 10, 2016/Board of Directors' Meeting	Setting June 3, 2016 as the Record Date for the Annual Meeting Setting June 29, 2016 as the Annual Stockholders' Meeting Endorsement of independent directors

Matters Not Required to be Submitted

There are no matters that are not required to be submitted to a vote of stockholders.

Other Proposed Action

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance are covered by appropriate disclosures such as: membership in the relevant committees such as the Audit Committee and the Remuneration and Compensation Committee, designation of authorized signatories, financing activities, and appointments in compliance with corporate governance policies.

Management reports which summarize the acts of management for the year 2015, are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereof.

Voting Procedures

1. Votes required

Proposed Corporate Action	No. of Votes Required
Election of the members of the Board of Directors	Seven (7) candidates receiving the highest number of votes shall be declared elected
Approval of Financial Statements and Annual Report	Majority of the outstanding common shares
Ratification of all acts of Board and Management	
Appointment of Auditor	

2. Method of counting

   Prior to the Annual Stockholders' Meeting, proxy forms are sent out together with the Notice of Annual Stockholders' Meeting with Agenda and are required to be submitted to the Corporate Secretary for validation and for authorization set forth on certain items included in the proxy form. During the registration and before the meeting starts, the attendees are required to sign up on a list where their respective shares are displayed so a determination can be made right away as to quorum purposes and what percentage of the total and outstanding shares was in favor or not with respect on a certain matter discussed. Votes of stockholders present are counted by identifying raised hands for yes or no for certain matters to be acted upon.

   Counting of votes will be done by the Corporate Secretary or his authorized representative with the assistance of representatives of the stock transfer agent of the Company, Securities Transfer Services, Inc.

PART II

Identification

The enclosed proxy is solicited by the Registrant for use in voting at the annual stockholders' meeting**.** The Chairman of the Board of Directors or, in his absence, the designated Chairman in the Meeting will vote the proxies at the annual stockholders' meeting on Wednesday, June 29, 2016.

The information statement and this proxy shall be sent through mail starting June 8, 2016. Duly executed proxies may be returned either by mail, fax or by hand at the company's mailing address. Proxies must be received on or before June 27, 2016 5:00 pm.

Instructions

This proxy must be dully accomplished by the stockholder of record as of June 3, 2016, the Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the corporate secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a corporate secretary's certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

Duly accomplished proxies shall be submitted to the Corporate Secretary of the Company not later than Monday, June 27, 2016 at the following address:

Attention: Emelita Mangosing
The Corporate Secretary
Supercity Realty Development Corporation
41st Floor Joy Nostalg Center, ADB Avenue, Ortigas Center, Ave. Pasig City

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

The last day of the validation of proxies will be the day before the date of the annual stockholders' meeting. The validation shall be done by the Corporate Secretary and/or the Company's Stock Transfer Agent at the Company's registered office address. As part of the validation process, the proxy statement should have a valid control number which will be used to verify the authenticity of the proxy form, it must be properly dated, executed, signed and returned by the stockholder thru mail, fax or by hand at the Company's mailing address. Proxies must be received on or before June 27, 2016 5:00 pm. Furthermore, the manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20(11)(b).

Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the designated Chairman of the meeting, as his proxy in the annual stockholders' meeting to be held on June 29, 2016.

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

Every stockholder voting in the election of directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares held by such stockholder, or distribute the stockholder's votes on the same principle among as many candidates as the stockholder may select, provided that votes cannot be cast for more candidates than the number of directors to be elected. However, no stockholder shall be entitled to cumulate votes unless the candidate's name has been placed in the nomination prior to the voting and the stockholder, or any other stockholder, has given notice at the meeting prior to the voting of the intention to cumulate the stockholder's votes. On all other matters, each share has one vote.

When proxy are properly dated, executed and returned, the shares they represent will be voted at the annual meeting in accordance with the instructions of the stockholder. If no specific instructions are given, the shares will be voted FOR the election of the nominees for directors and independent directors,FOR the Approval of the Minutes of the Previous Meeting of Stockholders,FOR the Approval of the Financial Statements and Annual Report, FOR the Ratification of All Acts of Board and Management, and FOR the Appointment of Punongbayan & Araullo as Auditor. In addition, if other matters come before the annual meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters.

Revocability of Proxy

A stockholder who shall sign and return the proxy accompanying this form will have the power to revoke it before it is voted on the stockholder's meeting upon the written notice to the Corporate Secretary, Emelita Mangosing, and upon proper verification thereof.

Person Making the Solicitation

The solicitation of proxies is made by the registrant company. No one among the directors intends to oppose any action intended to be taken by the registrant.

Solicitation shall be done through the use of mail and the cost is estimated to be in the amount of P15,000. The cost of solicitation will be for the account of the Registrant. Incidental solicitation in person or by telephone may also be made by directors, officers and employees of the Registrant for which they will receive no additional compensation.

Interest of Certain Persons in Matters to be Acted Upon

The Registrant's directors, executive officers, nominees to such positions and their associates do not have any substantial interest, direct or indirect, in any matter to be acted upon, other than election to office.

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 3 June 2016.

SUPERCITY REALTY DEVELOPMENT CORPORATION
Issuer

ENGR. EMELITA MANGOSING
Corporate Secretary

MR. ENRIQUE CUNANAN
Compliance-Information-Officer

June 3, 2016

MANAGEMENT REPORT

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Company Background

Supercity Realty Development Corporation, hereinafter referred to as SRDC, was registered with the SEC on June 9, 2000 under SEC Registration No. A200008385. The Company's authorized capital is ₱155,000,000.00 consisting of 155,000,000 Common Shares, with a par value of ₱1.00 per share. As of December 31, 2009, the Company had 110,000,000 Shares issued and outstanding.

The Company is authorized to engage in the business of construction, and related services and activities. It is authorized to act as a contractor or subcontractor for the construction of houses, buildings, roads, bridges and other construction projects for the private sector or the Government anywhere in the Philippines. It is also authorized to; (i) purchase, lease, exchange or otherwise acquire real properties, (ii) manage, subdivide and develop the same, and (iii) sell, transfer, convey or otherwise alienate or dispose of any such real properties and any interest or right therein.

History

The Company traces its beginnings to the early part of 2000, when a group of Filipino professionals that were formerly connected with Extraordinary Development Corporation decided to organize a construction services company. They envisioned their new company to cater to real estate developers that were focused on acquiring, developing, marketing and selling real estate end products rather than undertaking their own construction work. The incorporators of the Company that have remained as shareholders include; (a) Ferdinand Soliman, an engineer with 25 years of experience in the field of construction, planning and design, (b) Mylene Lim, an architect who has more than twenty (22) years of experience in the area of procurement of construction materials, (c) Wilfredo Uy, a certified public accountant (CPA) who gained expertise in the accountancy field through his 20 years practice as a CPA, and (d) Nimfa Leonco, who is currently connected with Asia Pacific Timber & Plywood Corporation.

Since the start of its commercial operations on October 1, 2000, the Company has completed a number of land development and housing projects. The Company's major completed and on-going projects are located in the following project sites: (a) Mabuhay City Subdivision in Cabuyao, Laguna, (b) Jubilation New Biñan Subdivision in Biñan, Laguna, (c) Eastwood Greenview Subdivision in San Isidro, Rodriguez, Rizal, (d) Eastwind Homes also in San Isidro, Rodriguez, Rizal, (e) Celebrity Place Walk-up Condominium in Quezon City, and (f) Centella Homes Subdivision in San Isidro, Rodriguez, Rizal.

Corporate Objectives

The Company's basic objectives are to provide a full range of construction services to real estate developers, and to provide them with technical assistance during the pre- and post-construction stages of their projects. It is usually engaged as a general contractor for land development and housing projects. The Company employs modern building system technology in its mass housing construction, and a management information system for its operations. It utilizes accredited labor subcontractors in order to maintain a relatively lean workforce.

In February 2008, the board has decided to wind down its construction business and re-focus the company's business into real estate development. However, as of December 31, 2015, the Company has not yet started any real development projects and thus the Company is still continuously engaged in the business of construction.

Vision-Mission

Mission Statement

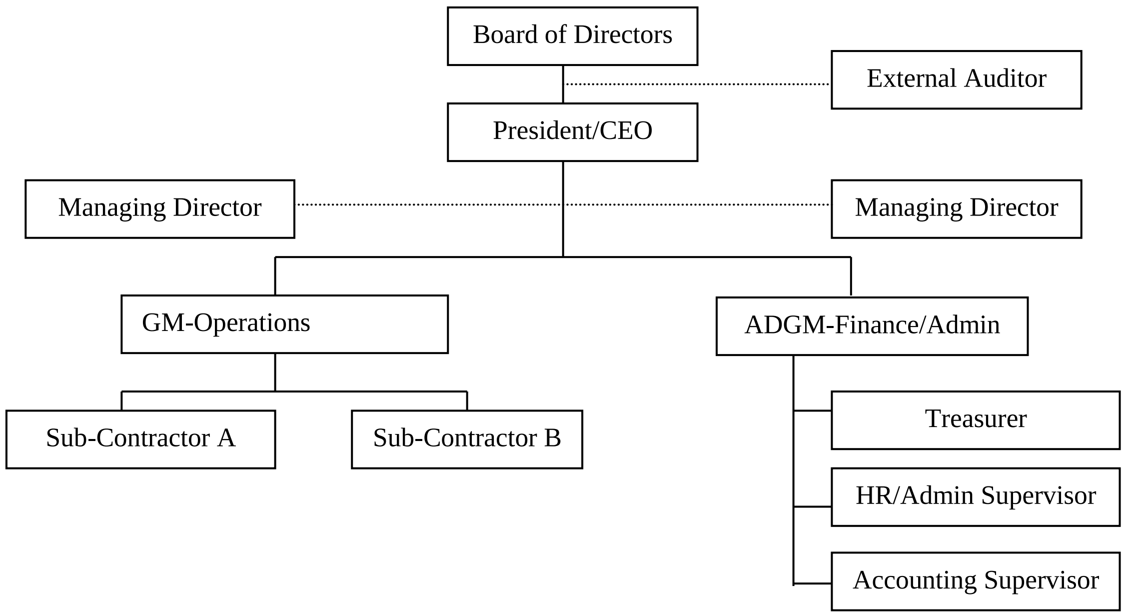
We are a leading construction company engaged in mass housing business providing total customer satisfaction using innovative and cost effective technology with the timely delivery of quality products and services.

Vision Statement

We are the trademark for total customer satisfaction in the mass housing construction by sustaining our competitive advantage through innovative products and services.

Organizational Structure

The following chart provides an overview of the organizational structure of the Company:



The Company's organization is relatively simple and flat. There are basically two major groups, namely: Operations, and Finance and Administration. However, there will be changes on the organizational structure when the Company's business re-focuses into real estate development.

A. Operations Group

The General Manager–Operations oversees the Project Managers in their respective construction project assignments. Each project team is responsible for the following functions: project estimating, project bidding and awarding, project implementation, and turnover of project after completion to the client. The Project and Site Engineers oversee and relate directly to the subcontractors to ensure that the latter's work quality and completion schedules meet the established standards and timetables.

B. Finance and Administration Group

The Acting Deputy General Manager-Finance/Administration, on the other hand, is in charge of overseeing the accounting, finance, human resource management, information management, and procurement functions within the Company.

Senior Management

The President and the Directors of the Company are the key persons responsible for obtaining leads to new projects, and establishing rapport with clients. Senior management is also responsible for formulating key corporate strategies for the Company.

Ad Hoc Committees

Ad hoc committees or groups are also formed among employees from different departments for the preparation of research studies, formulation of the Company's guidelines and procedures, systems evaluation and integration, and the like.

<u>Operations</u>

The operations of the Company can be categorized into the following areas of activity: (a) Contract Bidding and Signing; (b) Project Implementation; (c) Collections; and (d) Accreditation of Subcontractors. The details of the various activities involved are presented below:

A. Contract Bidding and Signing

To facilitate the preparation of project estimates to be used in contract bidding, the Company maintains a BQ Library for all the house models and construction works that it has already undertaken. Prices of construction materials and labor are then updated in the said database. The system allows for the fast preparation of project cost estimates. The major steps involved in contract bidding and signing are:

1. Preparation of estimates based on plans and specifications of the client
2. Submission of bid proposal to the client
3. Conduct of clarifications on bid proposal
4. Evaluation and awarding of bids by the client
5. Execution of contracts
6. Issuance of the "Notice To Proceed" by the client

B. Project Implementation

A project implementation plan is first prepared, discussed with, and agreed upon with the developer in order to ensure the proper implementation of the project, and to avoid conflict or argument during and after the implementation. The project implementation plan is also discussed with the subcontractors to have a common understanding on implementation procedures. The implementation plan has the following information: (a) schedule of activities, (b) number of days, (c) manpower requirement and deployment, (d) materials delivery schedule, (e) percentage of accomplishment and/or milestone, and (f) actions to be taken when unforeseen events occur. The construction methodology in undertaking certain activity is also discussed and agreed upon.

The major steps in the actual project implementation are as follows:

1. Presentation and approval of implementation plan
2. Purchase of construction materials required
3. Engagement of the services of the accredited subcontractors (evaluation of subcontractors is done in advance)
4. Implementation based on plans and specifications
5. Conduct of ocular inspection to ensure quality and timely delivery of the project
6. Turnover of the project to the client upon completion

C. Collections

The Company maintains a database file for all project contracts obtained. This file is updated semi-monthly to reflect the corresponding project accomplishment and for setting up of receivables. For contracts or projects that allow for percentage of completion billings, the Company normally bills clients twice a month. For contracts based on progress billings, billings are only made when a certain project milestone is achieved.

The Company normally requires a 20% down payment on its contracts, and is billed upon contract signing. Clients, on the other hand, retain 10% of the contract price for a period of 60 days from the time the project is completed and turned over by the Company. The said retention amount is a normal industry practice and is meant to cover any costs and expenses for modifications, defects, or repairs on the project.

The major steps in collections are as follows:

1. Preparation of billing for down payment after the signing of contract
2. Preparation of periodic billings
3. Submission of billing to the client for approval
4. Follow up and collection of payment

D. Accreditation of Subcontractors

The Company employs accreditation procedures for all its subcontractors to ensure that its subcontractors have the capability to handle the projects awarded to them. The subcontractors are re-evaluated periodically to update their classification. Subcontractors that deliver quality services on time or ahead of time are usually compensated with better rates for their next project with the Company.

The Company has also established a subcontractor's code of conduct that must be observed at all times to ensure safety, cleanliness, and orderliness at the project site.

The major steps in the accreditation process of subcontractors are as follows:

1. Issuance of pre-qualification checklist to the applicant subcontractors
2. Evaluation and verification of information on the checklist
3. Conduct of ocular inspection of the subcontractor's completed and on-going projects
4. Final evaluation of the applicant subcontractor
5. Issuance of accreditation certificate and assignment of subcontractor ID

Products and Services

A list of the products and services offered by the Company is presented as follows:

1. Construction of Houses

- 18-square meter Row House – CHB-load bearing
- 20-square meter Row House – CHB-load bearing
- 20-square meter Row House with Roofdeck – using steel wall form system
- 25-square meter Single-Attached/Single-Detached – using ordinary CHB
- 25-square meter Single-Attached/Single-Detached with Roofdeck – using steel wall forms
- Medium-scale and upscale houses
- 3-storey condominium

2. Land Development

    - Earthworks
    - Road concreting

- Waterline distribution system
- Box culverts
- Sewerline system
- Drainage system
- Perimeter fences

3. Specialty Works

- Elevated water tank
- Deep well
- Clubhouse
- Swimming pool
- Basketball court
- Entrance gate
- Guard house
- Parking lot

In addition to construction services, the Company provides facilitation services included as part of the contract for its end clients. These services include;

- Obtaining building permits composed of sanitary, plumbing, electrical, and occupancy permits,
- Obtaining water and fencing permits,
- Energizing a subdivision project's main power line,
- Arranging for individual meter and service deposit receipts for housing units

The contribution of the Company's various products and services to total revenues for the year 2015 are presented in the chart below.

Services	**Amount**	**%**
Land Development	9,167,031	63%
Specialty/Miscellaneous Works	5,455,036	37%
Total	14,622,067	**100%**

<u>Markets</u>

The Company's primary markets are the real estate developers. As a matter of corporate strategy, the Company has positioned itself to serve institutional or corporate clients rather than individual homebuyers in order to leverage on economies of scale for its construction projects. The Company also focuses on the construction of horizontal residential house and land development works for residential subdivisions. At present, the Company is focused on real estate developers that cater to the mass-, low-cost and middle-scale housing markets. The Company's present areas of operation are in the CALABARZON and Quezon City area. The Company caters to the Philippine market only and has no plans of getting into the international market.

<u>Distribution Methods of Products and Services</u>

The Company adopts a direct selling approach that involves establishing personal rapport in dealing with both existing and prospective clients. The Company also sends its corporate profiles to real estate developers. The Company's senior officers then make subsequent marketing calls to the principals of the said real estate developers and discuss areas where they can work together.

<u>Competition</u>

The Company is a construction services company that competes in the Philippines' construction industry. It primarily competes with independent construction firms that serve real estate developers involved in horizontal property development in the mass-housing, low-cost, medium- and upper-scale subdivision and home development categories. The Company also competes with other firms that operate in the CALABARZON areas. The major competitors of the Company include: (a), CMO Construction (b), ARRCEA Construction (c) RMT Construction, (d) Annex Builders, (e) WFC Construction, (f) KEEJANG Builders and (g) Mile-Hi Construction. These competitors are similar to the Company in terms of their primary market and capabilities. The Company believes that it can effectively compete with other companies in its area of competition because it uses modern construction technology, like the steel wall form system and T-joist system, for mass housing production. This allows for faster construction time, higher durability and lower overhead cost. Also, the Company has a pool of more than twenty (15) accredited subcontractors for housing, land development, and specialty works. Finally, the Company has good working relationships with its existing major clients that are major real estate developers in the Philippines. Recently, price has been the prevailing criteria of the developers in selecting their contractors. With this, the Company will offer its services at the lowest amount with the required quality of service though it expects a stiff competition among its competitors.

Sources of Materials and Supplies

The Company utilizes all the usual construction supplies and materials sourced from local suppliers. The Company is not dependent upon one or a limited number of suppliers for essential raw materials and supplies. Following are some of the principal suppliers of the Company:

Construction Materials	Major Supplier
For Housing Construction Projects	
1. Cement	Solid Cement Corp.
2. Steel Bar	E.V.Y. Construction and Development Corp.
3. White Sand	Rodelros Enterprises
4. Gravel	Kidtrans Movers
5. CHB	Quality Star Concrete Products
6. Lumber	Glory Lumber Hardware
7. PVC Products	Tanay Industries, Inc.
8. Hardware	Goldrich Industrial Sales
9. Paints	Mirage Trading, Inc.
10. Electrical Wires and Accessories	Sycwin Coating & Wires, Inc.
11. Plumbing Fixtures	D-Square Plumbing Supply, Inc.
12. Roofing	Philmetal Products, Inc.
13. Steel Roof Framing	Rapid Forming Corporation
14. Steel Fabrication Works	Rapid Forming Corporation
For Land Development Projects	
1. Concrete Pipes	Allied Concrete Products
2. Lastillas and Boulders	Maeann Enterprise
3. Escombro	Express Network Aggregates, Inc.
4. Ready Mix Concrete	Precision Readymix Inc.
5. Water Main Pipes & Fittings	Atlanta Industries
6. Gabion & Accessories	Freyssi Marketing
7. C. I. Fittings	Philippine Valve Manufacturing Co.

At present, the Company has no existing major supply contract. It procures its supplies on a project-to-project basis. Moreover, it usually awards to sub-contractors on a straight-contract agreement where the chosen sub-contractors will also provide the needed materials.

Major Clients

It has been the thrust of the Company to be a business partner of Real Estate Developers and as such it concentrates on serving the needs of its major clients namely: Extraordinary Development Corporation, Acerhomes Development Corporation, Earth+Style Corporation, One Asia Development Corporation, Kaiser Realty Development Corporation, Earth Aspire Corporation, Earth Prosper

Corporation, and Verdantpoint Development Corporation. These are the eight (8) major clients which account for the majority of the Company's revenues.

For the year 2016, the Company has outstanding contracts as follows:

PROJECT NAME	LOCATION	AMOUNT
East Bellevue Residences	Montalban Rizal	14,622,067
Porchview	Binan, Laguna	-
Total		14,622,067

Related Party Transactions

Please refer to Part III Item 12 of this report.

Subsidiaries and Affiliates

The Company does not have any subsidiaries or affiliates as of the date of filing.

Government Approvals

Under the Contractor's License Law (Republic Act No. 4566, as amended by Presidential Decree No. 1746), all construction companies intending to undertake construction activity in the Philippines must secure a contractor's accreditation from the Construction Industry Authority of the Philippines (CIAP). The Company filed an application for accreditation with the CIAP on October 27, 2003. License No. 31229, which was issued on January 30, 2004.

Applicable Laws and Regulations

Other than the regular business regulations common to all businesses, the Company is not aware of any existing or governmental regulations which could directly affect its business operations. Most of the regulations are imposed upon the developers, not on the construction companies.

Moreover, the Company is not aware of any environmental laws which will directly affect its business operations. The development and environmental permits issued by the DENR are generally required of developers of residential subdivisions and not of construction companies.

Research and Development

The Company does not engage third parties in its research and development activities. Such activities are conducted by the Company's in-house technical staff and officers. Thus, the amount spent in research and development activities is not substantial.

Manpower Complement

The manpower complement of the Company can be classified into employees and subcontractors.

A. Employees

As at December 31, 2015, the Company had a total of 5 full time employees. Among the Company's employees, 3 are regular employees while 2 are contractual. A summary of the different categories of the Company's employees is as follows.

Category	Number of Employees
Managerial	3
Supervisory	1
Rank and File	1
Total	**5**

None of the employees is subject to collective bargaining agreements (CBA). The employees did not stage any strike for the past three (3) years nor are they threatening to have one. Management and employee relationships have been cordial and complementary since the start of the Company's operations. The Company has no supplemental benefits or incentive arrangements as of the present, and has no plans to implement such in the future. However, with the plan to reorganize its organizational structure, the company had offered retrenchment program to its employees and had effected in the year 2008.

For the ensuing twelve (12) months, the Company anticipates that it will maintain its existing manpower and may not require any additional staff or officers.

B. Subcontractors

To provide the necessary manpower complement for land development, the construction of housing units, and specialty works, the Company engages the services of accredited independent subcontractors. The subcontractors are paid on a per contract basis. The number of the subcontractors utilized on any given contract or project will depend on the manpower requirement of the said contract or project.

The major subcontractors of SRDC include (a) FAMEC, (b) Modern Innovation (c) DREX Construction, (d) Starlink Builders, (e) R.Q Brandis Construction, (f) TJTJ Construction and Supplies, (g) J.C. Rodriguez Construction Corp., (h) CSE Builders, (i) E. Bolivar Construction, (j) Gazam Trading, (k) W.C. Fuerte Construction, (l) Red Carmel Construction, (m) MMJF Builders and Trading, (n) F.T. Ortiz Builders, Inc., (o) Starclink Builders, (p) Val-dap Construction and (q) Arcea Builders.

Technology

The Company utilizes modern construction technology for its mass housing construction process, and management information systems for its operations. The following discussion presents a description of the Company's use of the said technologies:

A. Steel Wall Form System and T-joist System

The Company's steel wall form and T-joist systems for mass housing production represent an adaptation and innovation of existing Malaysian and American building technologies used in Asia, the United States, and Europe. The building systems were redesigned by the Company's engineers, and fabricated by local suppliers.

The steel wall form system combined with T-joist system has several advantages over the conventional CHB system in terms of construction time, cost, durability, aesthetic finish and overhead cost. The technology is designed for quick and easy assembly of housing units. It also utilizes relatively less manpower to construct a house skeleton in around eight (8) hours. This cuts down on labor and materials expenses for low-cost and/or socialized housing intended for mass production.

The systems also allow the Company to undertake land development and housing construction at the same time, thereby cutting down construction time. However, with the plan to go into real estate business, the Company has sold majority of its construction equipment and tools.

B. MegaSystem

The Company utilizes the *MegaSystem* computer software for its information management. This software is a windows-based system that was designed specifically for the information management system of a construction company. The system is intended for the Company's easy recording and retrieval of information.

The following modules of the software are fully integrated:

- Project estimating
- Purchasing and inventory management
- Accounts payable and receivable management
- Sub-contractors management
- General ledger

The system provides for the timely processing and preparation of project cost estimates, bid proposals, billings, processing of sub-contractors' billings, suppliers' deliveries and governmental reporting requirements.

Assessment and Management of Risk

One of the risks that the Company is faced with is the competition within the industry. The Company would bank on its strengths over its competitors, particularly on the use of modern technology, its large pool of accredited subcontractors and its good working relationship with its clients to at least keep its stance in the industry.

Another risk is the Company's lean manpower organization. With this, it is inevitable that the Company relies on few key personnel. To counter this risk, the Company conducts training to its personnel and encourages the transfer of technology within the organization. Moreover, with the plan to re-focus its business, the Company must acquire new employees and at the same time had to retrench redundant employees.

The Company's reliance on its few existing clients poses another risk since the loss of any of these clients could have a material adverse impact on the Company. In 2015, the Company has added one new client.

Another risk that the Company is exposed to is its contractual arrangements with independent subcontractors. Any event that will adversely affect the ability of the subcontractors to meet the Company's performance standards could also affect the Company's operations. To counter this, the Company maintains and adheres to an accreditation process for its subcontractors to minimize the risk of the latter's inability to meet quality and cost standards of the Company. Also included in the accreditation process is the requirement for the subcontractor to post a bond. This would reduce the risk of the subcontractor not to finish a project and would lessen the financial impact on the Company should the subcontractor fail to finish the project. Moreover, there is the risk that the subcontractor can become a competitor. To avoid this, the contracts between the Company and the subcontractors included a provision which states that while the subcontractors have existing contracts with the Company, they cannot engage their services directly with the developers. Should they do so, even after the contracts between the Company and the subcontractors have been served, the subcontractor will be taken out of the list of accredited subcontractors.

The price volatility of construction materials and natural calamities are risks inherent in the construction business. At present, the Company enters into relatively short-term construction contracts (about 3 – 6 months only) and practices hedging techniques to lock in prices when the prices are low. Also, since the contracts are short-term, the risk of loss that natural calamities may bring about is lessened. For service companies like the Company, the longer the contract, the higher the chances of loss since a long-term contract would be subject to more uncontrollable events which could continue to incur costs for the same contract revenue. With short-term contracts, there is early realization of revenue.

Item 2. Properties

The previous principal office of the Company is located at Unit 1223 City and Land Mega Plaza, ADB Ave. Corner Garnet Road, Ortigas Center, Pasig City. The Company leased the 30 square meter office space from Anchor Collection Service, Inc. for a monthly rental of **₱13,000.00**. The lease is for a term of 6 months, or until December 31, 2014, renewable under such terms and conditions agreed upon by both parties. In 2015, the Company transferred its office at 41st floor Joy Nostalg Center, ADB Avenue, Ortigas Center, Pasig City.

The Company purchased a 21,668 square meter property worth ₱1,800.00 per square meter in March 2002 with TCT No. T-330670. The property is in a commercial/residential zone located in Bacoor, Cavite. The tax clearance certificate, having been issued by the BIR, the transfer certificate of title was issued under TCT No. 1019508 by the Register of Deeds of Cavite. Title to the property reveals no liens or encumbrances. However, this property is sold in the year 2009.

SRDC also uses container vans measuring 2.4 meters x 2.4 meters. x 6.0 meters to serve as field offices, which can be moved to different locations and can accommodate up to four (4) office tables per van. The Company also utilizes collapsible barracks and stockyards to house the subcontractors' workers, and construction supplies and materials while on the project site.

The Company uses steel panel forms for its major housing construction needs. These wall forms/molds are used instead of plywood for the construction of row houses. It is estimated that these forms may be used for about 100 times. A portable tower light is being used by the Company to provide lighting in areas where electricity is not available.

The Company leases other major construction and land development equipment such as cement mixers, and the like, on a project-to-project basis.

With the plan to re-focus into real estate business, the Company had sold majority of its construction equipments and tools in the year 2008. Moreover, the Company has no plan to acquire additional properties in the next twelve (12) months.

Item 3. Legal Proceedings

The Company is not a party to nor is it involved in any litigation that materially affects or will materially affect its interests.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The Company's common equity is traded in the Philippine Stock Exchange (PSE). The shares of stock of the Company were initially traded on December 19, 2003. Following are the high and low sales prices for each quarter since January 1, 2012:

Quarter	High	Low
Jan – March 2012	0.80	0.80
Apr – June 2012	0.80	0.80
July – Sept 2012	0.80	0.80
Oct – Dec 2012	0.80	0.80
Jan – March 2013	0.80	0.80
Apr – June 2013	0.80	0.80
July – Sept 2013	0.80	0.80
Oct – Dec 2013	0.80	0.80
Jan – March 2014	0.80	0.80
Apr – June 2014	0.80	0.80
July – Sept 2014	0.80	0.80
Oct – Dec 2014	0.80	0.80
Jan - March 2015	0.80	0.80
Apr – June 2015	0.80	0.80
July – Sept 2015	0.80	0.80
Oct – Dec 2015	0.80	0.80
Jan – March 2016	0.80	0.80
Last practicable trading date May15, 2016	0.80	0.80

Holders

There are three hundred sixty four (364) total stockholders and the top twenty (20) stockholders of the Company's issued and outstanding shares as of May 15, 2016 are as follows:

	Name	Shares	%
1.	Wilfredo Uy	18,000,000	16.36
2.	Mylene Lim	10,850,000	9.86
3.	Nimfa Leonco	10,850,000	9.86
4.	Arthur Lim	7,150,000	6.50
5.	Ferdinand Soliman	7,150,000	6.50
6.	Robert Yulo	5,000,000	4.55
7.	Anneli Ting	5,000,000	4.55
8.	Mario Vicente Sy	5,000,000	4.55
9.	Misael Adelaida Soliman	5,000,000	4.55
10.	Mariano Mison	5,000,000	4.55
11.	Victor Manarang	5,000,000	4.55
12.	Marie Tes Lee	5,000,000	4.55
13.	Abraham Go	5,000,000	4.55
14.	Arnold Acero	5,000,000	4.55
15.	Noric Ng	3,000,000	2.73
16.	Neskie Ng	2,999,999	2.73
17.	PCD Nominee Corporation	1,510,000	1.37
18.	Aileen Gabrentina	20,000	0.02
19.	Divinagracia Ayento	20,000	0.02

20. Dexter Aviles 20,000 0.02

Dividends

For the last two most recent fiscal years, the Company has not declared any cash dividends on its common equity. Future dividends will depend on the income, cashflow and financial condition of the Company particularly on the unrestricted retained earnings.

Recent Sales of Unregistered Securities

Within the past three (3) years, the Company has not sold any unregistered or exempt securities, nor did it issue securities constituting an exempt transaction.

Item 6. Management's Discussion and Analysis

The following management's discussion and analysis of past performance should be read in conjunction with the financial statements included in Item 7 of this report.

Financial Highlights

Amounts are in thousand pesos except per share figures

Key Operating and Financial Indicators	Audited Figures	
	2015	2014
Income Statement Data		
Revenues	14,622	18,590
Cost and Expenses	12,257	15,724
Income/(loss) From Operations	2,365	2,866
Net/(loss) Income	-233	414
Balance Sheet Data		
Current Assets	40,607	39,812
Property and Equipment	-	4
Held-to-maturity Investment	-	-
Total Assets	40,607	39,816
Total Liabilities	35,800	34,519
Stockholders' Equity	4,807	5,297
Per Share Data		
Earnings (Loss) per Share*	0.003	0.003
Book Value per Share**	0.044	0.045

* Based on Weighted Ave. No. of Outstanding Common Shares
** Based on Outstanding Common Shares as of Year-end

In compliance with the pronouncements of the Accounting Standards Council (AS) and the regulations of the Securities and Exchange Commission (SEC), the Company has adopted all the relevant Philippine Financial Reporting Standards (PFRS) for the first time in its financial statements for the year ended December 31, 2005, with January 1, 2004 as its transition date. The transition from the previous generally accepted accounting principles (GAAP) in the Philippines to PFRSs has been made in accordance with PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*.

The Company, also under PFRS, recognized its obligation under post-employment defined benefit plan computed by an actuary determined using the projected unit credit method. The adoption of the related new standard resulted in the recognition of transitional liability amounting to P 965,022 as of January 1, 2004. This transitional liability was fully recognized retrospectively in the Company's opening PFRS balance sheet. This also resulted in the recognition of additional defined benefit expense in 2004 amounting to P 394,908. Correspondingly, the deferred tax expense recognized by the Company due to the temporary differences arising from full recognition of defined benefit obligation amounted to P 435,178 in December 2004 and P 308,807 in January 2004. As of December 31, 2015, the defined benefit obligation recognized in the books amounted to P904,972 as compared to the P645,064 balance as of December 31, 2014. The increase is due to the accrual of obligation pertaining to the year 2015. As of December 31, 2014 and 2015 this account amounted to P904,972 and P645,064, respectively, reported under non-current liability.

For the year 2015, the following projects were accomplished by the Company:

Services	Amount	%
Land Development	9,167,031	63%
Housing Projects	5,455,036	37
Total	14,622,067	**100%**

Plan of Operations:

The Company incurred net loss from its operations of P0.3 million in 2015 and P40.5 million in 2013 and as a result, it reported a substantial deficit of P106.5 million and P106.2 million as at December 31, 2015 and 2014, respectively. The Company reported only minimal profits in 2014. The management has intensified its commitment to improve profitability and financial stability of the Company through continuation of its construction activities with its existing clients while its transition to a real estate development company is underway. Following are the current projects to be accomplished for the current year:

Contract No.	Contract Amount	PROJECT
QAT-EB-NTP-PH1A-OO1L	**583,848.00**	**Land Dev.**
QAT-EB1A-NTP-PH1-001H	1,867,200.00	**Housing**
QAT-EB1A-NTP-PH1-002H	1,736,400.00	**Housing**
QAT-EB1A-NTP-PH1-003H	1,474,800.00	**Housing**
QAT-EB1A-NTP-PH1-004H	1,466,400.00	**Housing**
QAT-EB1A-NTP-PH1-005H	273,600.00	**Housing**
EB1A-2016-PH1-028H	1,998,000.00	**Housing**
EB1A-2016-PH1-029H	1,724,400.00	**Housing**
EB1A-2016-PH1-030H	1,712,400.00	**Housing**
EB1A-2016-PH1-031H	2,247,600.00	**Housing**
EB1A-2016-PH1-032H	1,712,400.00	**Housing**
EB1A-2016-PH1-033H	1,189,200.00	**Housing**
EB1A-2016-PH1-034H	1,724,400.00	**Housing**
Total	**19,710,648.00**	

For the next twelve month, the Management believes that the Company remains to have a strong financial condition since it has enough existing construction contracts to satisfy its cash requirements and to sustain its operations. Moreover, cost-cutting measures are further intensified. There will be no expected significant purchases or sale of capital assets and movement on the number of employees.

2015 Performance

Revenues

In 2015, the Company generated P14.62M contract revenues, 21.35% lower than previous year revenue of P18.59M. This revenue came from land development and housing projects located at Porchview. Total revenues generated from these projects amounted to P 14.62M.

Gross Profit

Gross profit from construction contracts amounted to P2.36M, 17.46% lower than the previous year's P2.87M. The gross profit ratio decreased from 16% to 15%. This is due to the decrease in cost of sales for the year 2015.

Cost and Expenses

Construction cost decreased by 22% from P 15.72M in 2014 to P 12.27 in 2015. The decrease in cost can be attributed to the decrease in revenue since this account is variable in nature. Administrative expenses decreased from P 1.5M in 2014 to P 1.4M in 2015.

Income (Loss) from Operations

Income (Loss) from operations amounted to (P233K) and P78K in 2015 and 2014, respectively. Operating margin (loss) likewise decreased to (1.59) in 2015 from 0.42 in 2014. The losses in 2015 can be attributed to the lower revenue generated in 2015.

Net Income (Loss)

As a result of the foregoing, the company incurred a net income (loss) of (P490K) and P382K in 2015 and 2014, respectively. Correspondingly, net income (loss) ratio is (0.45%) and 0.35% in 2015 and 2014, respectively. Earnings (Losses) per share likewise decreased from P0.035 in 2014 to (P0.0025) in 2015.

Total Assets

Total assets increased by 2%% from P39.82M in 2014 to P 40.61M in 2015. The increase was due to the increase in of some financial assets and collections of receivables. The total of other current assets also increased particularly the advances to sub-contractors and suppliers due to recoupment thereof. However, the item Creditable Withholding Taxes account classified under other current assets increased as the Company was not able to apply thereof against income tax liability due net loss.

Liquidity

Current ratio decreased from 1.16:1 in 2015 to 1.18:1 in 2014. This can be attributed to the increase in the current assets accounts such as trade receivables and advances to contractors and suppliers. Moreover, trade and other payable accounts decreased.

Leverage

The Company posted a debt-to-equity ratio of 7.45:1 in 2015 and 6.52:1 leverage ratio in 2014. The decrease can be attributed to the increase in financial liability of the company.

2014 Performance

Revenues

In 2014, the Company generated P18.59M contract revenues, 205% lower than previous year revenue of P6.09M. This revenue came from land development projects located at Porchview and Mayflower projects in Binan, Lugan and General Trias, Cavite, respectively.. Total revenues generated from these projects amounted to P 18.59M.

Gross Profit

Gross profit from construction contracts amounted to P2.87M, 15.42% higher than the previous year's P1.06M. The gross profit ratio decreased from 17.41% to 15.42%. This is due to the increase in cost of sales for the year 2014.

Cost and Expenses

Construction cost increased by 83% from P 5.03M in 2013 to P 15.72 in 2014. The increase in cost can be attributed to the increase in revenue since this account is variable in nature. Administrative expenses decreased from P 40.05M in 2013 to P 1.5M in 2014 due to the recognition of impairment loss recognized in 2013.

Income (Loss) from Operations

Income (Loss) from operations amounted to P0.077 and (P40.50M) in 2014 and 2013, respectively. Operating margin (loss) likewise increased to 0.42 in 2014 from (66%) in 2013. The losses in 2013 can be attributed to the impairment loss recognized by the Company.

Net Income (Loss)

As a result of the foregoing, the company incurred a net income (loss) of P0.29 and (P 28.35M) in 2014 and 2013, respectively. Correspondingly, net income (loss) ratio is 1.56% and (465%) in 2014 and 2013, respectively. Earnings (Losses) per share likewise increased from (P 0.2578) in 2013 to P0.0026 in 2014.

Total Assets

Total assets increased by 6.05% from P37.55M in 2013 to P 39.12M in 2014. The increase was due to the increase in of some financial assets and collections of receivables. The total of other current assets also increased particularly the advances to sub-contractors and suppliers due to recoupment thereof. However, the item Creditable Withholding Taxes account classified under other current assets increased as the Company was not able to apply thereof against income tax liability due net loss.

Liquidity

Current ratio decreased from 1.18:1 in 2014 to 1.17:1 in 2013. This can be attributed to the increase in the current assets accounts such as trade receivables and advances to contractors and suppliers. Moreover, trade and other payable accounts decreased.

Leverage

The Company posted a debt-to-equity ratio of 6.52:1 in 2014 and 6.64:1 leverage ratio in 2013. The decrease can be attributed to the increase in financial liability of the company.

2013 Performance

Revenues

In 2013, the Company generated P6.09M contract revenues, 83.31% lower than previous year revenue of P36.51M. This revenue came from land development projects located at Eastwood Residences in Rodriguez, Rizal and Green Breeze project also in Rodriguez, Rizal. Total revenues generated from these projects amounted to P 6.09M.

Gross Profit

Gross profit from construction contracts amounted to P1.06M, 84.99% lower than the previous year's P7.07M. The gross profit ratio decreased from 17.41% to 19.36%. This is due to the decrease in revenue generated in 2013.

Cost and Expenses

Costs and expenses increased by 6.67% from P 43.69M in 2012 to P 46.60M in 2013. The increase in cost, particularly for the impairment of financial assets recognized in 2013. Administrative expenses increased from P 12.06M in 2012 to P 40.05M in 2013 due to the recognition of impairment loss recognized in 2013.

Income (Loss) from Operations

Income (Loss) from operations amounted to (P7.15M) and (P40.50M) in 2012 and 2013, respectively. Operating margin (loss) likewise decreased to (664%) in 2013 from (19.66%) in 2012. The losses in 2013 and 2012 can be attributed to the impairment loss recognized by the Company.

Net Income (Loss)

As a result of the foregoing, the company incurred a net income (loss) of (P 40.50) and (P 7.15M) in 2013 and 2012, respectively. Correspondingly, net income (loss) ratio is (664%) and (19.59) in 2013 and 2012, respectively. Earnings (Losses) per share likewise increased from (P 0.065) in 2012 to (P0.368) in 2013.

Total Assets

Total assets decreased by 44.98% from P 68.24M in 2012 to P 37.55M in 2013. The decrease was due to the impairment of some financial assets, collections of receivables and retirement of other assets. The total of other current assets also decreased particularly the advances to sub-contractors and suppliers due to recoupment thereof. However, the item Creditable Withholding Taxes account classified under other current assets increased as the Company was not able to apply thereof against income tax liability due net loss.

Liquidity

Current ratio decreased from 3.06:1 in 2012 to 1.17:1 in 2013. This can be attributed to the decrease in the current assets accounts such as trade receivables and advances to contractors and suppliers. Moreover, trade and other payable accounts increased.

Leverage

The Company posted a debt-to-equity ratio of 6.64:1 in 2013 and 0.50:1 leverage ratio in 2012. The decrease can be attributed to the decrease in financial assets of the company due to recognition of impairment loss.

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.

The Company set the hurdle rate for its ROI at 8%. The Board of Directors as well as the Management believe that an 8% hurdle rate for its ROI is reasonable given that the Company is still relatively young, it is barely eight (8) years in operation. The Company posted a 4.40% ROI in 2001, the Company's first full year in operations. In 2002, the Company has somehow made its mark in the industry as translated by a 289% increase in revenues and 240% increase in net income. With the marked increase in both revenue and net income, the Company posted a 10.59% ROI in 2002, a 141% increase from 2001. In 2003, the Company's operations has normalized and posted an 8.64% ROI, a slight decrease of 18% from the 2002 level. In 2004, revenue was maintained at the P 242M level, with a zero percent (0%) growth from 2003. However, as an effect of the decline in costs and expenses, as well as financing costs, of 2% and 56%, respectively, ROI increased by 5.32% resulting to a 9.1% ROI. However, due to the decrease in net income, the ROI decreased by 72.53% resulting to 2.53% ROI only in the year 2005. With the lower revenue and income for the year 2006, ROI decreased by 87.3% resulting to .32% ROI in the year 2006. In the year 2007, 2008 and 2009, due to net losses, negative ROI of 20.90%, 16.00% and 23.10% were incurred, respectively. Likewise in 2010 and 2011, negative ROI of 5.9% and 11.2%, respectively, were incurred. In 2012, 2013, 2014, and 2015 an ROI of -6.50%, -36.82%, 0..26%, -0.45% respectively, were posted.

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 equipment. 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.

In determining the fixed assets turnover ratio and the succeeding performance indicators, the Board of Directors and the Management have decided to drop the 2001 figures in computing for the historical averages. Since the year 2001 is the Company's first full year in operations, it is not yet reflective of the normal business operations.

The fixed assets turnover rate for 2001 was 14.63 times. As mentioned earlier, this figure would be dropped in determining the historical average. The Company has decided to use the historical average of the fixed assets turnover rate for 2003 and 2002, which is, 33.56 times, as its benchmark. The fixed assets turnover rate of 32.51 times and 34.61 times, for 2003 and 2002, respectively, are at par with the set hurdle rate. This can be attributed to the high level of revenues generated during the said period. In addition, the Company has not acquired its construction equipments yet. From the start of operations up to 2003, the Company leased a majority of its construction equipments under an operating lease thereby resulting to a small asset base. In 2004, however, the Company's fixed assets turnover rate dropped to 12.30 times, 62% lower than the previous year rate. In 2005, the fixed assets turnover rate further dropped to 10.15 times, 17% lower than that of 2004. The decline was caused by the marked increase in fixed assets brought about by the acquisition of construction facilities, land development equipment, collapsible barracks, stockyards and container vans, and by the establishment of a batching plant. These were acquired in the first quarter of 2004 and the Company is still in its initial stages of recovering the cost of acquiring the said assets. The assets turnover rate improved from 10.15 times in 2005 to 11.07 times in 2006 to 14.15 times in 2007 despite of diminishing sales revenue generated merely because of the decrease of the net carrying value of the company's fixed asset. Likewise in 2008, 2009, 2010, and 2011 it improved to 22.88, 220.6, 7,582, and 6,309 times, respectively, merely due to the decrease in the ending balance of the fixed asset account despite of the decrease in revenue. In 2012, 2013 and 2014. the fixed assets turnover rate was posted at 3,276 times, 372 and 4 times, respectively. In 2015, the fixed assets were fully depreciated.

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 360 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 established the benchmark at 41.97 inventory turnover rate and 10.65 days in inventory. The figures were based on the historical average for the years 2003 and 2002. As previously mentioned, the figures for 2001 was dropped in determining the hurdle rate as it is not reflective of normal operations. In fact, inventory turnover rate for 2001 was 332.61 times while days in inventory is 1.08 days. Since 2001 is the Company's first full year in operations, it was just starting to build up its inventory. This resulted to an extremely high inventory turnover rate and an improbable 1.08 days in inventory. In 2002, the Company has started building up its inventory and has likewise increased its cost of service. Inventory level went up from P 0.3M in the beginning of the year up to P 8.0M at the end of the year or an average of P 4.1M. Cost of service, on the other hand, increased from P 60.1M in 2001 to P 249.9M in 2002, a 316% increase. This resulted to a 60.49 times inventory turnover rate, an 82% decrease from 2001 figure, and 5.95 days in inventory, a 450% increase from 2001. Since the Company has experienced abrupt increases in the cost of materials, it started its practice of stocking up materials and supplies to counter the effect of these price increases and in anticipation of large volumes of construction contracts. This hedging technique resulted to a 23.45 inventory turnover rate in 2003, a 61% decline from 2002, and 15.35 days in inventory, a 158% increase from 2002. Still, in 2004, the Company continued stocking up its materials and supplies as it anticipated increases both in the price of materials and in the number of contracts. Unfortunately, however, the expected increase in projects did not materialize while its average inventory level doubled from the previous year. This resulted to an inventory turnover rate of 11.75 times, 50% lower than the 2003 rate, and 30.64 days in inventory, quite long when compared with the hurdle rate of 10.65 days. In 2005, the inventory turnover rate posted to 10.76 times, 8.4% lower that the previous year's and 33.46 days in inventory, still quite long compared with the hurdle rate of 10.65days. In 2006, the inventory turnover rate posted to only 7.83 times, 27.26% lower that the previous year's and 45.98 days in inventory,. In 2007, the inventory turnover rate further decreased to 5.89 times or 61.07 days in inventory due to lower sale revenue. However in 2008 and 2009, the company generated an inventory turnover rate of 8.25 and 9.59 times or 43.64 and 37.54 days in inventory, respectively, merely due to the decrease in the ending balance of inventory. In 2010, 2011, 2012, 2013, 2014 and 2015 the Company did not maintain inventory due to the awarding of contracts to its sub-contractors on a straight basis where the latter provides also the materials.

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.

In 2001, the Company's operations resulted to a 0.72:1 current ratio. The Company was just on its first full year of operations in 2001 and was still building up its asset base. Thus, similar to the above performance indicators, the 2001 figure was not included in determining the historical average. The historical average for 2003 and 2002 of 1.54:1 will be set as the hurdle rate. It was only in 2002 that the Company's current ratio of 1.29:1 fell below the benchmark. Although already 79% higher than the 2001 figure, it is still 16% short of the hurdle rate. In 2003, current ratio started to improve as a result of the initial public offering (IPO) in December. With the P 55M proceeds from the IPO, cash balance as of year-end 2003 totaled P 62.3M, a 651% increase from the 2002 figure. This resulted to a current ratio of 1.78:1, 38% higher than the previous year ratio. In 2004, however, current ratio slid by 3% from the previous year resulting to a current ratio of 1.74:1. This was the result of the acquisition of construction equipments and the settlement of P 15M bank loan in the early part of the year. In 2005, the current ratio further improved to 1.90:1, 9.2% higher than the previous year. In 2006, the current ratio has improved further by 12.84% from 1.90:1 in 2005 to 2.14:1 in 2006. However, in 2007 the current ratio posted at 1.91:1, the decrease can be attributed to the decrease in the current asset account particularly the trade receivables due to recognition of impairment thereof. In 2008, it posted at 2.10:1. The increase can be attributed to the payment of company's interest-bearing loan and in the increase of the ending balance of cash and cash equivalents. In 2009 and 2010, it posted at 4.20:1 and 4.29:1, respectively. This can be attributed to the decrease in the current assets accounts such as trade receivables and advances to contractors and suppliers. While in 2011, it posted at 2.79:1 due to the increase in trade and other payables accounts particularly for the advances from clients. In 2012, 2013 2014 and 2015, current ratio was posted at 3.06:1, 1.17:1, 1.18:1 and 1:16:1, respectively.

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.

The historical average debt-to-equity ratio for the years 2003 and 2002 was 0.96:1, very close to the ideal 1:1 ratio. The 2001 leverage ratio was dropped to be consistent with the other performance indicators which considered only the years 2003 and 2002 in computing the average. In 2001, debt-to-equity ratio reached a high of 3.02:1 because the Company had to borrow from the banks to support its operations. Capital stock was not yet fully paid as of that time. The following year, 2002, debt-to-equity ratio dropped by 62% and resulted to a leverage ratio of 1.14:1. The marked improvement in the debt-to-equity ratio was brought about by the settlement of P 21.5M bank loan. In addition, the unpaid subscriptions were paid by the stockholders in April 2002 and retained earnings increased by 293% from P 2.0M in 2001 to P 7.8M in 2002. The debt-to-equity ratio was further reduced by 31% to 0.79:1 in 2003. The reduction was due to the additional subscription and full payment through the IPO of P 50M capital stock. Also, the level of retained earnings almost doubled from P 7.8M in 2002 to P 13.3M in 2003. In 2004, P 15M bank loan was settled in the early part of the year while retained earnings increased by 70% from P 13.3M in 2003 to P 22.7M in 2004. This resulted to a debt-to-equity ratio of 0.68:1, a 14% drop from the previous year ratio. In 2005, the debt-to-equity ratio posted at 0.61:1, 10% drop from the previous year's due to lower liability particularly the trade payable account where the liquidation of advances to suppliers were made. In 2006, the debt-to-equity ratio posted at 0.55:1, a 12% drop from the previous year's due to lower liability account particularly the trade payables account. In 2007, 0.62:1 debt-to-equity ratio was posted. In 2008, 2009 and 2010, a 0:59:1, 0.325:1 and 0.312:1 deft-to-equity ratios were posted, respectively. In 2011, 2012, 2013, 2014 and 2015 it posted at 0.57:1, 0.50:1, 6.64:1, 6.52:1 and 7:45:1, respectively. With the most recent debt-to-equity ratio, creditors are still fully covered.

Item 6.1. 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:

6.1.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.

6.1.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.

6.1.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

For the year 2015, the Company generated small revenue from construction activities due to completion of old project. 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.

6.1.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.

6.1.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)

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:

	As Of		Inc/(Dec)		
Account Title	**31-Dec-15**	**31-Dec-14**	**Amount**	**%**	**Remarks**
Cash	2,971,298	4,281,487	(1,310,189)	-31%	Decrease due to payment of operating expenses
Property & equipment	-	4,092	(4,092)	-100%	Decrease pertains to the monthly depreciation expenses and these assets were fully depreciated in 2015
Trade and other payable	25,832,411	24,707,374	1,125,037	5%	Accrual of labor cost incurred in 2015
Retirement benefit obligation	904,972	645,064	259,908	40%	Increase pertains to recognition of retirement benefits with re-measurement adjustment made in 2015.
Revaluation reserve	213,275	-	213,275	100%	This accounts pertains to re-measurement of post-employment benefits recognized in 2015

Income Statement Items:

	For the Year Ending		Inc/(Dec)		
Account Title	**12.31.15**	**12.31.14**	**Amount**	**%**	**Remarks**
Revenues	14,622,067	18,590,194	(3,968,127)	-21%	Lesser revenues were generated for 2015 due to completion of contracts in 2015 while new contracts are still for awarding
Contract Cost	12,256,779	15,724,496	(3,467,717)	-22%	The decrease is caused by lesser construction activities as reflected in the above revenue item since this item is variable in nature
Gross profit	2,365,288	2,865,698	(500,410)	-17%	Decrease due to decrease in revenue as described above
Operating Profit/(Loss)	(233,135)	77,799	310,934	400%	Decrease due to decrease in revenue as described above
Income (loss) before tax	(435,852)	445,488	(881,340)	-198%	Incurred net loss in 201 due to lower revenue as described above
Tax Expense	54,110	63,708	9,598	15%	Incurred negative tax expense due to losses incurred in 2015 and 2014
Other comprehensive loss	213,275	-	(213,275)	100%	This accounts pertains to re-measurement of post-employment benefits recognized in 2015
Net Income	(489,962)	381,780	(871,742)	-228%	Incurred net loss in 2015 due to lower revenue as described above

For Interim Period Ended March 31, 2016

Financial Condition

Total Assets

The Company's total assets amounted P 39.25M as of March 31, 2016, 3.34% lower than the December 31, 2015 figure of P 40.61M. There was a minimal change on the total assets of the company since it has no unusual business transactions. The decrease was brought about by the decrease in trade receivables and cash and cash equivalents accounts.

Property and Equipment

Property and equipment as of December 31, 2015 were fully depreciated. The Company employs subcontractors that can provide the necessary equipment.

Total Liabilities

The Company's total liabilities as of March 31, 2016, amounted to P 34.18M, a 2.05% decrease as compared to the December 31, 2015 balance of P 34.89M. The decrease was primarily brought by the decrease in trade and other payable accounts.

Liquidity

The Company posted a current ratio of 1.15:1 as of March 31, 2016, a little lower than the 1.16:1 current ratio as of December 31, 2015. The slight decrease can be attributed to the decrease in trade receivable and cash in bank accounts.

Leverage

Debt-to-equity ratio as of March 31, 2016, was determined to be 8.42:1 higher than the 7.45:1 ratio as of December 31, 2015. The increase was brought about by the net loss incurred during the given quarter and the decrease in trade and other payable accounts.

Results of Operation

Revenues

Revenues from contracts for 2016Q1 amounted to P 0.43M, 55% lower than the P 0.97M in 2015Q1. The decrease can be attributed to the lower remaining contract in 2016. Moreover, contract revenues for the 2016Q1 were generated from the Housing project in Rodriguez, Rizal which were awarded in 2015.

Gross Profit

Gross profit from construction contracts decreased by 72% from P 92K in 2015Q1 to P 25K in 2016Q1. On the other hand, gross profit ratio decrease from 9.58% to 6%. Thus, resulted to lower gross profit in 2016Q1.

Cost and Expenses

Costs and expenses for 2016Q1 amounted to P 1.08M, 31% lower than the P 1.56M in 2015Q1. Cost of services for 2016Q1 comprised 38% of the total costs and expenses. Cost of services decreased by 53% from P 0.87M in 2015Q1 to P 0.41M in 2016Q1. The decrease was primarily brought about by the decrease in revenue generated in 2016Q1 since most of these costs are variable in nature.

For the total operating expenses, 2016Q1 amounted to 0.67M, 3.03% lower than the 2015Q1 of 0.69M. The minimal decrease was primarily brought about by the decrease in taxes and licenses, subscription and supplies incurred for the given quarter in 2016.

Operating Profit (Loss)

As a result of the foregoing, operating profit (loss) in 2016Q1 amounted to (P 0.64M) from (P 0.60M) in 2015Q1. Correspondingly, operating margin (loss) ratio increased from (62%) in 2015Q1 to (148%) in 2016Q1. The increase can be attributed to the lower revenue generated by the Company in 2016Q1 as discussed under revenue above.

Other Income / Charges

No financing costs incurred in 2015Q1 and in 2016Q1 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 lower revenue this 2016Q1, net loss increased from P 0.60M in 2015Q1 to P 0.64M in 2016Q1. This likewise resulted to the increase of net loss ratio of 62% in 2015Q1 to 148% in 2016Q1. Finally, this translated into earnings (loss) per share of (P0.0058) in 2016Q1 from P0.0054 in 2015Q1.

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 2016Q1, the Company posted an ROI of (0.58%) compared to the 2015Q1 ROI of (0.54%). The decrease in ROI can be attributed to the lower 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.

The Company posted a fixed assets turnover rate of 274 times in 2015Q1. However, in 2016, 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 March 31, 2016 was computed at 1.15:1 lower than the 1.16:1 ratio at the beginning of the year. The slight decrease can be attributed to the decrease in the trade receivable and cash in bank 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 March 31, 2016 was determined to be 8.42:1 slightly higher than the 7.45:1 times as of December 31, 2015. The increase was brought about by the net loss incurred during the 2016Q1 and the decrease on the 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 1st quarter of the year 2015, 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* 31-Mar-16	31-Dec-15	Inc/(Dec) Amount	%	Remarks
Cash	2,432,518	2,971,298	(538,780)	-18%	Decrease due to decrease in cash in bank and trade receivable accounts for the payment of operating expenses
Trade and other receivable	16,874,705	17,773,546	(898,842)	-5%	Decrease pertains to the collections of retention receivables
Total equity	4,165,625	4,807,122	(641,497)	-13%	The decrease pertains to net loss incurred by the company for 2016Q1

Income Statement Items:

Account Title	**For the Quarter Ending** 03.31.16	03.31.15	**Inc/(Dec)** Amount	%	**Remarks**
Revenues	434,533	965,357	(530,824)	-55%	Lesser revenue were generated for 2016Q1 due to completion of contracts in 2015 while new contracts are still for awarding
Contract Cost	409,179	872,888	(463,709)	-53%	The decrease is caused by lesser construction activities as reflected in the above revenue item since this item is variable in nature
Gross profit	25,355	92,469	(67,114)	-73%	Decrease due to decrease in revenue as described above
Operating Profit/(Loss)	(641,627)	(595,353)	46,274	-8%	Decrease due to decrease in revenue as described above
Income (loss) before tax	(641,497)	(595,038)	(46,459)	8%	Incurred net loss in 2016Q1 due to lower revenue as described above
Net Income	(641,497)	(595,038)	(46,459)	8%	Incurred net loss in 2016Q1 due to lower revenue as described above

UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

EMELITA MANGOSING
THE CORPORATE SECRETARY
SUPERCITY REALTY DEVELOPMENT CORPORATION
41st FLOOR JOY NOSTALG CENTER, ADB AVENUE,
ORTIGAS CENTER, PASIG CITY.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, LIZA S. NIEDO, Filipino, of legal age and a resident of #253 San Francisco St. Poblacion, San Jose Del Monte, Bulacan, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Supercity Realty Development Corporation.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Extradoinary Dev. Corp.	Treasury Head	Nov. 2011 to Sept. 2015

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Supercity Realty Development Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of Supercity Realty Development Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 23 MAY 2016 day of ________ at, PASIG CITY.

Affiant

SUBSCRIBED AND SWORN to before me this 23 MAY 2016 day of ____________ at PASIG CITY, affiant personally appeared before me and exhibited to me his/her Tax Identification Number 115-883-241.

Doc. No. 131
Page No. 28
Book No. VIII
Series of 2016

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DEC,31,2016
41 ST. FLR. JOY NOSTALG CENTER
NO.17 ADB AVE.ORTIGAS PASIG CITY
PTR# 7186667 /01/05/16/ O.C
IBP NO. LRN-07038 / 06-21-07 / RIZAL
ROLL NO. 51224
MCLE NO. 111-0021622-3-08-12

CERTIFICATION OF INDEPENDENT DIRECTORS

I, ROSELLER C. ANACITO, Filipino, of legal age and a resident of Lot 17 Block 4 Moncarlo Village Ampid 1 San Mateo Rizal, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Supercity Realty Development Corporation.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
First Advance Development Corp.	Head-Construction Management Department	March, 2008 to April 2016
Earth+Style Corporation	Head-Construction Management Department	May, 2016 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Supercity Realty Development Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of Supercity Realty Development Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 23 MAY 2016 day of ________ at, PASIG CITY.

Affiant

SUBSCRIBED AND SWORN to before me this 23 MAY 2016 day of ________ at PASIG CITY, affiant personally appeared before me and exhibited to me his/her Tax Identification Number 157-467-745.

Doc. No. 102
Page No. 31
Book No. XIII
Series of 2016

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DEC,31,2016
41 ST. FLR. JOY NOSTALG CENTER
NO.17 ADB AVE.ORTIGAS PASIG CITY
PTR# 7186667 /01/05/16/ O.C
IBP NO. LRN-07038 / 06-21-07 / RIZAL
ROLL NO. 51224
MCLE NO. 111-0021622-3-08-12

REPUBLIC OF THE PHILIPPINES)
PASIG CITY METRO MANILA) S.S.

CERTIFICATE OF NO DIRECTORS OR OFFICERS ARE CONNECTED WITH ANY GOVERNMENT AGENCIES AND ITS INSTRUMENTALITIES

I, **EMELITA MANGOSING**, of legal age, Filipinos, with office address at 41st Floor Joy Nostalg Center, ADB Avenue, Ortigas Center Pasig City, Metro Manila, being the duly elected and qualified Corporate Secretary of **SUPERCITY REALTY DEVELOPMENT CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, under oath, does hereby certify that no directors or officers are currently connected with any government agencies or its instrumentalities.

IN ATTESTATION OF THE ABOVE, this Certificate was signed this _____ day of May 23, 2016 at Pasig City.

EMELITA MANGOSING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23 MAY 2016 day of _________ 2016 affiant(s) exhibiting to me his/their Tax Identification Numbers as follows:

NAMES	TIN
EMELITA MANGOSING	106-962-707

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DEC.31.2016
41 ST. FLR. JOY NOSTALG CENTER
NO.17 ADB AVE ORTIGAS PASIG CITY
PTR# 7186667 /01/05/16/ O.C
IBP NO. LRN-07036 / 06-21-07 / RIZAL
ROLL NO. 51224
MCLE NO. 111-0021622-3-08-12

Doc. No. 46 ;
Page No. 24 ;
Book No. VIII ;
Series of 2016.

P&A Grant Thornton
An instinct for growth™

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 988 2288
F +63 2 886 5506
grantthornton.com.ph

Report of Independent Auditors

The Board of Directors and Stockholders
Supercity Realty Development Corporation
Unit 1223 12/F, City & Land Mega Plaza
ADB Avenue corner Garnet Road
Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of Supercity Realty Development Corporation, which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Supercity Realty Development Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which provides relevant information on the status of operations of the Company. As discussed therein, the Company has been incurring significant losses from its operations in prior years resulting in a substantial deficit as at December 31, 2015 and 2014. This condition, along with the other matters set forth in Note 1, indicates the existence of an uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, the Company's management has intensified its commitment to improve profitability and financial stability of the Company through continuation of its construction activities with its related parties while its transition to a real estate development company is underway. Accordingly, the accompanying financial statements were prepared assuming that the Company will continue as a going concern. The accompanying financial statements do not include any adjustments on the recoverability and classification of the assets or the amounts and classification of liabilities arising from this uncertainty. In connection with our audits, we have performed audit procedures to evaluate management's plans for such future actions as to the likelihood to improve the situation and as to feasibility under the circumstances.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2015 required by the Bureau of Internal Revenue as disclosed in Note 20 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 5321729, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-2 (until Apr. 30, 2016)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-19-2015 (until Mar. 18, 2018)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 2, 2016

SuperCity Realty Development Corporation

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Supercity Realty Development Corp.** (the Company), is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014, in accordance with Philippine Financial Reporting Standards (PFRS), including the following additional supplemental information filed separately from the basic financial statements:

a. Supplementary Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68
b. Schedule of PFRS Effective as of December 31, 2015
c. Schedule of Financial Indicators for December 31, 2015 and 2014

Management responsibility on the financial statements includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

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

FERDINAND SOLIMAN
Chairman of the Board

FERDINAND SOLIMAN
President/Chief Executive Officer

ENRIQUE C. CUNANAN
Chief Financial Officer

SUBSCRIBED AND SWORN to before me on this 13 APR 2016 PASIG CITY, 2016 Affiant(s) exhibiting to me his/their Tax Identification Number as follows:

NAMES	TIN
FERDINAND SOLIMAN	106-835-141
ENRIQUE CUNANAN	116-426-195

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DEC.31,2016
41 ST. FLR. JOY NOSTALG CENTER
NO.17 ADB AVE.ORTIGAS PASIG CITY
PTR# 7186667 /01/05/16/.O.C
IBP NO. LRN-07038 / 06-21-07 / RIZAL
ROLL NO. 51224
MCLE NO. 111-0021622-3-08-12

Doc. No. 19;
Page No. 32;
Book No. VI;
Series of 2016.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2015	2014
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	4	**P 2,971,298**	P 4,281,487
Receivables - net	5	**17,773,546**	16,184,539
Other current assets	6	**19,862,093**	19,346,031
Total Current Assets		**40,606,937**	39,812,057
NON-CURRENT ASSET			
Furniture and fixtures - net	7	**-**	4,092
TOTAL ASSETS		**P 40,606,937**	P 39,816,149
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	**P 25,832,411**	P 24,811,570
Due to related parties	13	**8,929,400**	8,929,400
Provisions for rework	3	**133,032**	133,032
Total Current Liabilities		**34,894,843**	33,874,002
NON-CURRENT LIABILITY			
Post-employment benefit obligation	11	**904,972**	645,064
Total Liabilities		**35,799,815**	34,519,066
EQUITY			
Capital stock	14	**110,000,000**	110,000,000
Additional paid-in capital		**1,509,641**	1,509,641
Revaluation reserve	11	**(213,275)**	-
Deficit		**(106,489,244)**	(106,212,558)
Total Equity		**4,807,122**	5,297,083
TOTAL LIABILITIES AND EQUITY		**P 40,606,937**	P 39,816,149

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
CONTRACT REVENUES	13	**P 14,622,067**	P 18,590,194	P 6,092,349
CONTRACT COSTS	10	**12,256,779**	15,724,496	5,031,778
GROSS PROFIT		**2,365,288**	2,865,698	1,060,571
OPERATING INCOME (EXPENSE)				
Administrative expenses	10	**(1,388,187)**	(1,504,392)	(40,054,303)
Other operating expenses	10	**(1,210,236)**	(1,283,507)	(1,513,933)
Other operating income	9	**-**	335,718	-
		(2,598,423)	(2,452,181)	(41,568,236)
OPERATING PROFIT (LOSS)		**(233,135)**	413,517	(40,507,665)
FINANCE INCOME (COSTS) – Net				
Finance income	4	**34,019**	31,971	40,256
Finance costs	11	**(23,460)**	-	-
		10,559	31,971	40,256
PROFIT (LOSS) BEFORE TAX		**(222,576)**	445,488	(40,467,409)
TAX EXPENSE	12	**(54,110)**	(63,708)	(29,262)
NET PROFIT (LOSS)		**(276,686)**	381,780	(40,496,671)
OTHER COMPREHENSIVE LOSS				
Item that will not be reclassified subsequently to profit or loss				
Loss on remeasurements of post-employment benefit obligation	11	**(213,275)**	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P 489,961)**	P 381,780	(P 40,496,671)
Basic and Diluted Earnings (Loss) Per Share	15	**(P 0.003)**	P 0.003	(P 0.368)

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Capital Stock (see Note 14)	Additional Paid-in Capital	Revaluation Reserve (see Note 11)	Deficit	Total
Balance at January 1, 2015	P 110,000,000	P 1,509,641	P -	(P 106,212,558)	P 5,297,083
Total comprehensive loss for the year	-	-	(213,275)	(276,686)	(489,961)
Balance at December 31, 2015	**P 110,000,000**	**P 1,509,641**	**(P 213,275)**	**(P 106,489,244)**	**P 4,807,122**
Balance at January 1, 2014	P 110,000,000	P 1,509,641	P -	(P 106,594,338)	P 4,915,303
Total comprehensive income for the year	-	-	-	381,780	381,780
Balance at December 31, 2014	P 110,000,000	P 1,509,641	P -	(P 106,212,558)	P 5,297,083
Balance at January 1, 2013	P 110,000,000	P 1,509,641	P -	(P 66,097,667)	P 45,411,974
Total comprehensive loss for the year	-	-	-	(40,496,671)	(40,496,671)
Balance at December 31, 2013	P 110,000,000	P 1,509,641	P -	(P 106,594,338)	P 4,915,303

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		(P 222,576)	P 445,488	(P 40,467,409)
Adjustments for:				
Interest income	4	(34,019)	(31,971)	(40,256)
Interest cost	11	23,460	-	-
Depreciation and amortization	7	4,092	8,185	8,185
Impairment loss on receivables	13	-	-	38,296,084
Operating profit (loss) before working capital changes		(229,043)	421,702	(2,203,396)
Increase in receivables		(1,589,007)	(306,229)	(7,906,326)
Increase in other current assets		(563,368)	(410,867)	(65,960)
Increase in trade and other payables		1,020,841	376,544	6,790,852
Increase in due to related parties		-	1,798,099	2,857,369
Increase (decrease) in provisions for rework		-	(335,718)	103,671
Increase in post-employment benefit obligation		23,173	50,225	49,769
Cash generated from (used in) operations		(1,337,404)	1,593,756	(374,021)
Cash paid for income taxes		(6,804)	(6,394)	(8,051)
Net Cash From (Used in) Operating Activities		(1,344,208)	1,587,362	(382,072)
CASH FLOWS FROM INVESTING ACTIVITY				
Interest received	4	34,019	31,971	40,256
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,310,189)	1,619,333	(341,816)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,281,487	2,662,154	3,003,970
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 2,971,298	P 4,281,487	P 2,662,154

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Supercity Realty Development Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 9, 2000 to engage in construction and related activities, either as contractor or subcontractor; i.e., for the construction of residential units, buildings, roads, bridges and other construction projects. On December 19, 2003, the Company's shares of stock were listed for trading on the Philippine Stock Exchange (PSE).

On February 29, 2008, the Company's Board of Directors (BOD) approved the change in the Company's core business operations from construction to real estate development. Consequently, the Company has retrenched all of its project-based employees effective September 2008 and sold all of its construction equipment. As at December 31, 2015, the Company has not yet started any real estate development projects. Its business activities are presently hinged on the construction projects of its related parties; i.e., it provides the necessary manpower requirement of their projects by engaging the services of third party subcontractors (see Note 13.1). It has no other major activities; hence, no segment information and disclosures are presented in the Company's financial statements.

On December 11, 2014, the Company's BOD and stockholders approved the change of the Company's registered address and principal place of business from Unit 1223 12/F, City & Land Mega Plaza, ADB Avenue corner Garnet Road, Ortigas Center, Pasig City to 41st Floor, Joy-Nostalg Building, No. 17 ADB Avenue, Ortigas Center, Brgy., San Antonio, Pasig City. On February 12, 2016, the application for the change in address was approved by the Bureau of Internal Revenue (BIR), while such application for the change in address is yet to be filed with the SEC as of April 2, 2016.

1.2 Status of Operations

The Company incurred net loss from its operations of P0.3 million in 2015 and P40.5 million in 2013 and as a result, it reported a substantial deficit of P106.5 million and P106.2 million as at December 31, 2015 and 2014, respectively. The Company reported only minimal profits in 2014. This condition, along with the matters discussed in Note 1.1, indicates the existence of an uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In this regard, the Company's management has intensified its commitment to improve profitability and financial stability of the Company through continuation of its construction activities with its related parties while its transition to a real estate development company is underway. Management believes that the Company remains to have a strong financial condition since it is part of a group of companies. Accordingly, the financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments to reflect possible future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of this uncertainty.

1.3 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2015 (including the comparative financial statements as of December 31, 2014 and for the years ended December 31, 2014 and 2013) were authorized for issue by the Company's BOD on April 2, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company 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, and approved by the Philippine Board of Accountancy.

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

(b) Presentation of Financial Statements

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

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

Certain current liabilities as of December 31, 2014 were reclassified to conform with the current year presentation. This reclassification only affected presentation aspects and did not have a material impact on the Company's 2014 financial statements. Accordingly, a third statement of financial position is not required to be presented.

(c) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) *Effective in 2015 that are Relevant to the Company*

The Company adopted for the first time the following amendment and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning January 1, 2015:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
Annual Improvements	:	Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle)

Discussed below and in the succeeding page are the relevant information about these amendment and annual improvements.

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions*. The amendment clarifies that if the amount of the contributions to defined benefit plans from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. The amendment did not have a significant impact on the Company's financial statements since the Company's defined benefit plan does not require employees or third parties to contribute to the benefit plan.

(ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the amendments discussed in the succeeding page are relevant to the Company but had no material impact on the Company's financial statements.

Annual Improvements to PFRS (2010-2012 Cycle)

- PFRS 8 (Amendment), *Operating Segments – Aggregation of Operating Segments, and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets.* This amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker.

- PAS 16 (Amendment), *Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization.* The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

- PAS 24 (Amendment), *Related Party Disclosures – Disclosure of Key Management Personnel.* The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

Annual Improvement to PFRS (2011-2013 Cycle)

PFRS 13 (Amendment), *Fair Value Measurement – Scope of Portfolio Exception.* The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, regardless of whether they meet the definition of finncial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation.*

(b) Effective in 2015 that are not Relevant to the Company

The following annual improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2014 but are not relevant to the Company's financial statements:

PFRS (2010-2012 Cycle)		
PFRS 2 (Amendment)	:	Share-based Payment – Definition of Vesting Condition
PFRS 3 (Amendment)	:	Business Combinations – Accounting for Contingent Consideration in a Business Combination

PFRS (2010-2012 Cycle)

PAS 38 (Amendment)	:	Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization

PFRS (2011-2013 Cycle)

PFRS 3 (Amendment)	:	Business Combinations – Scope Exceptions for Joint Ventures
PAS 40 (Amendment)	:	Investment Property – Clarifying the Interrelationship between PFRS 3 and PAS 40

(c) *Effective Subsequent to 2015 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2015 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) PAS 1 (Amendment), *Presentation of Financial Statements – Disclosure Initiative* (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PAS 16 (Amendment), *Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 41 (Amendment), *Agriculture – Bearer Plants* (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.

(iv) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 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;
- an expected loss 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.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(v) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Company but management does not expect these to have material impact on the Company's financial statements:

- PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

- PAS 19 (Amendment), *Employee Benefits – Discount Rate*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32. All other non-derivative financial instruments are treated as debt instruments.

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and the related transaction costs are recognized in profit or loss.

The category of financial assets that is relevant to the Company is only loans and receivables. 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 those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. 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 assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The Company's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents and Receivables in the statement of financial position. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in the profit or loss.

All income and expenses relating to financial assets are recognized in profit or loss and, are presented as part of Finance Income or Finance Cost, as the case may be, in the statement of comprehensive income.

Non-compounding interest income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets (or where applicable, a part of a financial asset or a part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Other Current Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period (or in the normal operating cycle of the business, if longer), are classified as non-current assets.

2.5 Furniture and Fixtures

Furniture and fixtures are carried at acquisition cost less accumulated depreciation and any impairment losses. 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.

Depreciation is computed on the straight-line basis over the estimated useful life of furniture and fixtures which is three years.

Fully depreciated assets are retained in the accounts until these are no longer in use. No further charge for depreciation is made in respect of those accounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.12). The residual values and estimated useful lives of furniture and fixtures are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of furniture and fixtures, including the related accumulated depreciation and any impairment losses, 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 profit or loss in the year the item is derecognized.

2.6 Financial Liabilities

Financial liabilities, which include the Company's Trade and Other Payables (except tax-related payables and advances from customers) and Due to Related Parties, are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payment.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.7 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.8 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.9 Revenue and Expense Recognition

Revenue comprises revenue from the rendering of services measured by reference to the fair value of consideration received or receivable by the Company for services rendered, excluding value-added tax (VAT) and discounts. Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. In addition, the specific recognition criteria must also be met before revenue are recognized are discussed in the succeeding page.

(a) *Contract revenues and costs* – Revenue is recognized based on the actual work done which is consistent with the percentage-of-completion method. Under this method, revenues are recognized in proportion to the actual cost incurred 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 (see also Note 2.10).

(b) *Interest* – Recognized as the interest accrues taking into account the effective yield on the asset. Interest income is presented as Finance Income in the statement of comprehensive income.

Cost and expenses are recognized in profit or loss upon receipt of goods and/or utilization of services or at the date they are incurred. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized.

2.10 Construction Contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. Adjustments in the contract price or the estimated costs are recorded prospectively when they become known.

The Company uses the percentage-of-completion method to determine the appropriate amount to recognize as revenue in a given period. The stage of completion is measured with reference to 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 incurred during the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as part of other current assets.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recovered.

Contract costs are recognized when incurred.

The gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings are presented as Unbilled contracts receivable which is part of Contracts receivable under the Receivables account. Progress billings not yet paid by customers and retention are presented as Billed receivable and Retention receivable, respectively, and both accounts are part of Contracts receivable under the Receivables account in the statement of financial position.

The Company presents as a liability (under the Trade and Other Payables account) the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

2.11 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 profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.
The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.12 Impairment of Non-financial Assets

The Company's non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

Impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating units and reflect management's assessment of respective risk profiles, such as market and asset-specific factor.

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.

2.13 Employee Benefits

The Company provides the following benefits to its employees:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment 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 post-employment 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.

In 2015 and 2014, the Company has only one qualified and regular employee. In 2014, the estimated cost of post-employment benefit was computed based on Republic Act (R.A.) No. 7641, *The Retirement Pay Law*, discounted using the relevant Philippine Dealing & Exchange Corporation (PDEx) rate 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 post-employment liability. In 2015, management availed the services of an independent actuary to estimate its post-employment defined benefit obligation in accordance with PAS 19 (Revised) and the provisions of R.A. 7641. Management determined that there is no significant difference between the 2015 and 2014 valuations as the resulting amount is reasonable approximation to the amounts recognized as liability [see Note 3.2(e)].

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and any return on plan assets (excluding amount included in net interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Cost or Finance Income account in the statement of profit or loss.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(d) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.14 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current 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 reporting period. They are calculated using 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 profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply into the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.15 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial and operating decisions. These parties include (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.16 Equity

Capital stock represents the nominal value of shares that have been issued.

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

Revaluation reserve represents gains and losses due to the remeasurements of post-employment defined benefit plan.

Deficit represents all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income.

2.17 Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing the net profit (loss) by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the period.

Diluted earnings (loss) per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have dilutive potential shares outstanding.

2.18 Events After the End of Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Distinguishing Operating and Finance Leases

The Company has entered into a lease agreement. Judgment was exercised by management to distinguish the lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management's judgment, such lease was determined to be an operating lease.

(b) Recognizing Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.8 and relevant disclosures are presented in Note 16.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determining Impairment of Receivables

Adequate amount of allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the customers and other counterparties, average age of accounts, collection experience and historical loss experience.

The carrying value of receivables and the analysis of allowance for are shown in Note 5.

(b) Estimating Useful Lives of Furniture and Fixtures

The Company estimates the useful lives of furniture and fixtures based on the period over which the assets are expected to be available for use. The estimated useful lives of furniture and fixtures are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of furniture and fixtures are analyzed in Note 7. Based on management's assessment as at 2014, there is no change in the estimated useful life of furniture and fixtures as at those dates. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above. Furniture and fixtures was fully depreciated as of December 31, 2015.

(c) Determining Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. In 2015 and 2014, management believes, based on its evaluation, that the Company may not recover the tax benefit of the temporary differences considering the present circumstances of its operations as disclosed in Note 1; hence, deferred tax assets were not recognized (see Note 12).

(d) Determining Impairment of Non-financial Assets

In assessing impairment of non-financial assets, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.12). Though management believes that the assumptions used in the estimation of recoverable amount are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment loss was recognized on non-financial assets in 2015, 2014 and 2013 based on management's assessment.

(e) Estimating Valuation of Post-employment Benefit

The Company has only one qualified regular employee (see Note 2.13). In 2014 and prior years, the Company's obligation and cost of post-employment benefit was computed based on the provisions of R.A. No. 7641 discounted using relevant PDEx rate. In 2015, the Company availed the services of an actuary to estimate its post-employment benefit obligation in accordance with PAS 19 (Revised) and the provisions of R.A. No. 7641 (see Note 2.13). Management determined that there is no significant difference between the 2015 and 2014 valuations as the resulting amount is reasonable approximation to the amounts recognized as liability.

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 11.2.

(f) Estimating Provisions for Rework

The Company provides warranties for its construction projects for a period of one year from date of completion. Management estimates the related provisions for future rework based on historical repair information, as well as recent trends that might suggest that past cost information may differ from future claims.

In 2014, management reversed the provisions for rework amounting to P0.3 million (nil in 2015 and 2013), which is presented as part of Other Operating Income in the 2014 statement of comprehensive income (see Note 9). Based on management's assessment, additional provisions for rework was recognized in 2013 amounting to P0.1 million (nil in 2015 and 2014).

(g) Recognizing Provision for Contract Losses

Losses on contracts are accrued when the amount of loss can be reasonably estimated. At the end of each reporting period, the estimated contract costs are reviewed to determine its reasonableness and accuracy. The actual cost is analyzed to validate the original estimate. Any difference between the estimate and actual cost is a change in estimate and therefore treated prospectively.

No provision for contract losses was necessary to be recognized in 2015, 2014 and 2013 based on management's assessment.

(h) Accounting for Revenue Recognition Using the Percentage-of-Completion

The Company uses the percentage-of-completion method in accounting for its contract revenue. Use of percentage-of-completion requires the Company to estimate the portion completed as of the reporting period as a proportion of the total estimated cost as determined and certified by the project engineers.

Based on management's assessment, the estimate of percentage-of-completion will not materially differ from the actual percentage-of-completion based on the progress and status of construction projects as of the end of the reporting period. Accordingly, management believes that no adjustment is necessary on the recorded contract revenue and contract costs.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at December 31:

	2015	2014
Cash on hand and in banks	**P 770,796**	P 2,107,137
Short-term placements	**2,200,502**	2,174,350
	P 2,971,298	P 4,281,487

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for a period of 90 days and earn effective interest rates of 1.25% to 1.75% in 2015, 1.75% to 3.00% in 2014, and 1.25% to 3.00% in 2013. Interest income is presented as Finance Income in the statements of comprehensive income.

5. RECEIVABLES

This account is composed of the following:

	Note	2015	2014
Contracts receivable	13.1	**P 83,674,508**	P 82,091,441
Advances to related parties	13.2	**8,741,550**	8,735,611
Others		**29,926**	29,925
		92,445,984	90,856,977
Allowance for impairment	13.1, 13.2	**(74,672,438)**	(74,672,438)
		P 17,773,546	P 16,184,539

Contracts receivable is broken down as follows:

	2015	2014
Billed	**P 73,651,518**	P 72,516,045
Retention	**10,022,990**	9,575,396
	P 83,674,508	P 82,091,441

All of the Company's receivables have been reviewed for indicators of impairment. Certain receivables were identified to be impaired; hence, adequate amounts of allowance for impairment have been recognized. The impaired receivables pertain to long-outstanding contract receivables and advances to related parties which are doubtful of collection.

In 2015 and 2014, management assessed that the remaining receivables not provided with allowance for impairment are still collectible; hence, no additional impairment losses were recognized in both years.

6. OTHER CURRENT ASSETS

This account consists of:

	Note	2015	2014
Creditable withholding tax		**P 19,032,138**	P 18,787,003
Input VAT	20.1(b)	**453,118**	171,192
Advances to contractors and suppliers		**122,086**	122,086
Others		**254,751**	265,750
		P 19,862,093	P 19,346,031

7. FURNITURE AND FIXTURES

The gross carrying amounts and accumulated depreciation and accumulated impairment loss of furniture and fixtures at the beginning and end of 2015, 2014 and 2013 are shown below.

	2015	2014	2013
Cost	**P 9,724,268**	P 9,724,268	P 9,724,268
Accumulated depreciation	**(9,547,152)**	(9,543,060)	(9,534,875)
Accumulated impairment loss	**(177,116)**	(177,116)	(177,116)
Net carrying amount	**P -**	P 4,092	P 12,277

A reconciliation of the carrying amounts of furniture and fixtures at the beginning and end of 2015 and 2014 is shown below.

	2015	2014
Balance at beginning of the year, net of accumulated depreciation and impairment	**P 4,092**	P 12,277
Depreciation charges	**(4,092)**	(8,185)
Balance at end of the year, net of accumulated depreciation and impairment	**P -**	P 4,092

Depreciation charges are presented as part of Administrative Expenses account in the statements of comprehensive income (see Note 10).

As at December 31, 2015 and 2014, fully depreciated assets with a total cost of P9.7 million are still used in operations.

8. TRADE AND OTHER PAYABLES

This account consists of:

	Note	**2015**	2014
Trade payables		**P 7,557,722**	P 7,913,535
Deferred output VAT	20.1(a)	**9,393,928**	9,192,980
Retention fees		**5,843,967**	4,698,241
Advances from customers		**2,865,392**	2,865,392
Others		**171,402**	141,422
		P 25,832,411	P 24,811,570

Deferred output VAT arose from the uncollected contracts receivable (see Note 5).

9. OTHER OPERATING INCOME

This account pertains to miscellaneous income in 2014 arising from the reversal of provisions for rework amounting to P0.3 million as management believes that the related expenditures will no longer be incurred. There was no reversal of provisions for rework in 2015 and 2013.

10. COST AND OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

	Notes	**2015**	2014	2013
Outside services		**P 12,185,056**	P 15,467,714	P 4,826,031
Salaries and employee benefits	11.1	**790,725**	845,382	816,510
Professional fees		**386,132**	440,557	420,000
Taxes and licenses	20.1(f)	**258,007**	306,523	541,085
Utilities and communication		**36,928**	73,216	66,803
Repairs and maintenance		**10,000**	27,200	98,368
Depreciation	7	**4,092**	8,185	8,185
Rental	16.1	**-**	144,000	148,000
Impairment losses on receivables	13	**-**	-	38,296,084
Provisions for rework		**-**	-	103,671
Miscellaneous		**1,184,262**	1,199,618	1,275,277
		P 14,855,202	P 18,512,395	P 46,600,014

Miscellaneous mainly includes expenditures for security services, subscription dues, transportation and travel, trainings and seminars and office supplies.

These expenses are classified in the statements of comprehensive income as follows:

	2015	2014	2013
Contract costs	**P 12,256,779**	P 15,724,496	P 5,031,778
Administrative expenses	**1,388,187**	1,504,392	40,054,303
Other operating expenses	**1,210,236**	1,283,507	1,513,933
	P 14,855,202	P 18,512,395	P 46,600,014

Contract costs for the years ended December 31, 2015, 2014 and 2013 consist of the following:

	Note	**2015**	2014	2013
Subcontractors' fee		**P 12,185,056**	P 15,467,714	P 4,826,031
Taxes and licenses	20.1(f)	**71,723**	256,782	205,747
		P 12,256,779	P 15,724,496	P 5,031,778

11. EMPLOYEE BENEFITS

11.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits are presented below (see Note 10).

	2015	2014	2013
Short-term employee benefits	**P 767,552**	P 795,157	P 766,741
Post-employment benefit	**23,173**	50,225	49,769
	P 790,725	P 845,382	P 816,510

As at December 31, 2015 and 2014, the Company has only one employee administering managerial function to the Company.

11.2 Post-employment Defined Benefit Plan

In 2015, the Company is covered by an unfunded, non-contibutory post employment multi-employer plan with its related parties that is classified as a defined benefit plan. For the one qualified employee of the Company under the plan, the Company has specific identifiable share in the multi-employer plan and accounts such plan in the same way for any other defined benefit plan. In 2014 and prior years, the Company determined its post-employment benefit obligation using a simplified method of valuation through the requirements of R.A. No. 7641 which approximates to the same amount of post-employment benefit obligation had the Company used the same valuation method adopted in 2015 since both methods are in compliance with the projected unit credit method. The relevant information and disclosures of the Company's post-employment plan are discussed in the succeeding pages.

(a) Characteristics of the Defined Benefit Plan

The normal retirement benefit is equal to 100% of plan salary for every year of credited service upon attainment of age is 60 and completion of at least five years of service. The plan also provides for an early or optional retirement benefit equal to a certain percentage of plan salary for every year of credited service and completion of at least five years of service. The late retirement benefit is subject to a yearly extension basis but not beyond age 65.

(b) Explanation of Amounts Presented in the Financial Statements

Starting 2015, actuarial valuations shall be made periodically to update the retirement benefit obligation, or more frequently if factors indicate a material change in the assumptions. All amounts presented in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2015.

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

	2015	2014
Balance at beginning of year	**P 645,064**	P 594,839
Interest cost	**23,460**	-
Current service cost	**23,173**	50,225
Remeasurements –		
Actuarial losses (gains) arising from:		
Experience adjustments	**233,962**	-
Changes in financial assumptions	**(37,380)**	-
Demographic assumption	**16,693**	-
Balance at end of year	**P 904,972**	P 645,064

The components of amounts recognized in profit or loss and in other comprehensive loss in respect of the defined benefit plan are as follows:

	2015	2014	2013
Recognized in profit or loss:			
Interest cost	**P 23,460**	P -	P -
Current service cost	**23,173**	50,225	49,769
	P 46,633	P 50,225	P 49,769
Recognized in other comprehensive loss:			
Actuarial gains (losses)			
arising from changes in:			
Experience adjustments	**(P 233,962)**	P -	P -
Financial assumptions	**37,380**	-	-
Demographic assumptions	**(16,693)**	-	-
	(P 213,275)	P -	P -

Current service cost is presented as part of Salaries and employee benefits (see Note 11.1) under operating expenses, while interest expense is presented as Finance Cost under Finance Income (Costs) – Net account in the 2015 statement of comprehensive income.

There were no comparative remeasurements in 2014 and 2013 as the amounts have been assessed to be not material to the financial statements since there were no significant changes on the retirement profile, assumptions and other circumstances applicable to the one qualified employee of the Company.

In determining the retirement benefit obligation, the following actuarial assumptions were used as at December 31, 2015:

Discount rate	4.24%
Salary increase rate	5.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The remaining working life of the individual retiring at the age of 60 is 13 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the retirement benefit obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risk Associated with the Retirement Plan

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) Interest Risk

The present value of the retirement benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the obligation.

(ii) Longevity and Salary Risks

The present value of the retirement benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the retirement plan are described as follows:

(i) Sensitivity Analysis

The sensitivity of the Company's post-employment benefit obligation to a reasonably possible change in discount rate indicates that if discount rate increased by +/- 100 basis points, post-employment benefit obligation would have decreased by P9,050 and P6,451 in 2015 and 2014, respectively, and vice versa.

The sensitivity of expected salary increase rate is deemed not significant to the Company's financial statements since salaries of the one qualified employee remained comparable during the reporting periods.

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the retirement benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the post-employment benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the post-employment benefit obligation recognized in the statements of financial position.

The methods as types of assumptions used in preparing the sensitivity analysis did not significantly change compared to previous year.

(ii) Funding Arrangements and Expected Contributions

The Company is yet to determine when it shall establish a formal funding to its post-employment benefit obligation as at December 31, 2015 and 2014. While there is no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in about 11 years' time when the qualified employee is expected to retire. The maturity of undiscounted expected benefit payments beyond 10 years amounted to P3.4 million as at December 31, 2015, which management also determined to be reasonable approximation as at December 31, 2014.

The weighted average duration of the retirement benefit obligation at the end of the reporting period is 11 years.

12. TAXES

The components of tax expense reported in profit or loss are as follows:

		2015		2014		2013
Minimum corporate income tax (MCIT) at 2%	**P**	**47,306**	P	57,314	P	21,211
Final tax at 20%		**6,804**		6,394		8,051
	P	**54,110**	P	63,708	P	29,262

The reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

		2015		2014		2013
Tax on pretax profit (loss) at 30%	**(P**	**66,773)**	P	133,646	(P	12,140,223)
Adjustment for income subjected to lower income tax rate	**(**	**3,402)**	(	3,197)	(	4,026)
Tax effects of:						
Changes in unrecognized deferred tax assets		**264,979**	(	152,780)		12,065,944
Expired MCIT	**(**	**141,354)**		86,039		81,525
Non-deductible expenses		**660**		-		26,042
	P	**54,110**	P	63,708	P	29,262

The details of NOLCO, which can be claimed as deduction from future taxable income, are shown below.

Year Incurred		**Amount**		**Expired NOLCO**		**Remaining Balance**	**Valid Until**
2015	P	207,762	P	-	P	207,762	2018
2013		1,971,338		-		1,971,338	2016
	P	**2,179,100**	**P**	**-**	**P**	**2,179,100**	

The unrecognized deferred tax assets relate to the following as at December 31, 2015 and 2014:

	2015		2014	
	Amount	**Tax Effect**	Amount	Tax Effect
Allowance for impairment of receivables	**P 74,672,438**	**P 22,401,731**	P 74,672,438	P 22,401,731
NOLCO	**2,179,100**	**653,730**	1,971,338	591,401
Post-employment benefit obligation	**904,972**	**271,492**	645,064	193,519
Provisions for rework	**133,033**	**39,910**	133,032	39,910
Impairment of furniture and fixtures	**177,116**	**53,135**	177,116	53,135
MCIT	**87,424**	**87,424**	181,472	181,472
	P 78,154,083	**P 23,507,422**	P 77,780,460	P 23,461,168

As of December 31, 2015, the Company has unrecognized deferred tax asset of P0.1 million arising from the remeasurements of post-employment employment benefit obligation amounting to P0.2 million. The Company is subject to MCIT, which is computed at 2% of gross income less allowable deductions, as defined under the tax regulations, or regular corporate income tax (RCIT), whichever is higher. The Company is liable to pay MCIT in 2015, 2014 and 2013 as MCIT was higher than RCIT in those years.

The details of MCIT, which includes excess MCIT over RCIT incurred in 2014, can be claimed against future RCIT payable are shown below.

Year Incurred	Amount	Expired MCIT	Remaining Balance	Valid Until
2015	P 47,306	P -	P 47,306	2018
2014	18,907	-	18,907	2017
2013	21,211	-	21,211	2016
2012	141,354	141,354	-	2015
	P 228,778	**P 141,354**	**P 87,424**	

In 2015, 2014 and 2013, the Company claimed itemized deductions in computing its income tax due.

13. RELATED PARTY TRANSACTIONS

The Company's related parties include entities under common ownership or control, the Company's key management and others as described in Note 2.15. A summary of the transactions and balances of the Company with its related parties is presented in the below.

Related Party Category	Note	Amount of Transactions 2015	2014	2013	Outstanding Balances 2015	2014
Related Parties Under Common Ownership:						
Construction services	13.1	**P 14,622,067**	P 18,590,194	P 6,092,349	**P 83,674,508**	P 82,091,441
Advances from related parties	13.2	**-**	1,693,903	2,857,369	**8,929,400**	8,929,400
Advances to related parties	13.2	**5,939**	8,055	20,000	**8,741,550**	8,735,611
Key Management Personnel –						
Compensation/ retirement	13.3	**790,725**	845,382	816,510	**904,972**	645,064

13.1 Rendering of Services

The Company renders construction services to certain related parties under common ownership for certain real estate projects of the latter. Construction services are recognized based on the actual work done which is consistent with the percentage-of-completion method.

Service income amounting to P14.6 million in 2015, P18.6 million in 2014, and P6.1 million in 2013, arising from these transactions with related parties are presented as part of Contract Revenues in the statements of comprehensive income. The related outstanding receivables amounting to P83.7 million and P82.1 million as at December 31, 2015 and 2014, respectively, are shown as Contracts Receivable under the Receivables account in the statements of financial position (see Note 5). These receivables are unsecured to the extent of advances received, noninterest-bearing and payable in cash.

Presented below is an analysis of the movements in contracts receivables.

	2015	2014
Balance at beginning of year	**P 82,091,441**	P 80,704,101
Contract revenues, gross of VAT	**16,376,715**	20,821,017
Collections	**(14,793,648)**	(19,433,677)
Balance at end of year	**P 83,674,508**	P 82,091,441

The Company has also existing commitments, guarantees, and contingent liabilities relating to on-going construction projects of the Company (see Note 16.2).

As of December 31, 2015 and 2014, allowance for impairment recognized on these receivables amounts P66.0 million. Impairment loss recognized in 2013 amounted to P38.3 million. No impairment loss is required to be recognized in 2015 and 2014.

13.2 Advances to/from Related Parties

In the normal course of business, the Company obtains from and grants to its related parties (other than those provided to officers and directors for carrying out official business functions and activities which are subject to liquidation as at December 31, 2015 and 2014) unsecured, noninterest-bearing, cash advances for working capital requirements and other purposes.

Total advances to related parties are presented as Advances to Related Parties under the Receivables account in the statements of financial position (see Note 5). The movements in the Advances to related parties account are shown below.

	2015	2014
Balance at beginning of year	**P 8,735,611**	P 8,727,556
Additions	**5,939**	8,055
Balance at end of year	**8,741,550**	8,735,611
Allowance for impairment	**(8,707,556)**	(8,707,556)
	P 33,994	P 28,055

Total outstanding advances from related parties as of December 31, 2015 and 2014 are presented as Due to Related Parties account in the statements of financial position. The movements in the account are shown below.

	2015	2014
Balance at beginning of year	**P 8,929,400**	P 7,235,497
Additions	**-**	1,693,903
Balance at end of year	**P 8,929,400**	P 8,929,400

The advances to and from related parties have no fixed repayment terms and are generally payable in cash on demand, or through offsetting arrangements with them (see Note 18.3). As such and due to their short duration, management considers the carrying amounts of advances to/from related parties to be a reasonable approximation of fair values.

13.3 Key Management Personnel Compensation

The compensation of key management personnel is broken down as follows:

	2015	2014	2013
Short-term employment benefits	**P 767,552**	P 795,157	P 766,741
Post-employment benefit	**23,173**	50,225	49,769
	P 790,725	P 845,382	P 816,510

Certain administrative functions of the Company are performed by the officers of a related party under common ownership at no cost to the Company.

13.4 Lease of Office Space

In 2015, the Company transferred to an office space located at a floor of a building being rented by one of the Company's stockholders, at no cost to the Company (see Note 16.1).

14. CAPITAL STOCK

As at December 31, 2015 and 2014, the Company has authorized capital stock of P155.0 million divided into 155,000,000 shares with a P1.00 par value per share. As at those dates, it has 110,000,000 issued and outstanding shares, or a total of P110.0 million.

On December 19, 2003, the SEC approved the listing of the Company's shares totaling 50,000,000 (see Note 1.1). The shares were initially issued at an offer price of P1.10 per share. Such listed shares traded at a closing price of P0.80 per share as at May 11, 2009. No further trading of the Company's shares has occurred since May 11, 2009. The Company has no other securities traded or listed for trading in any securities exchange.

15. EARNINGS (LOSS) PER SHARE

The basic and diluted earnings (loss) per share were computed as follows:

	2015	2014	2013
Net profit (loss)	**(P 276,661)**	P 381,780	(P 40,496,671)
Divided by the weighted average number of outstanding common shares	**110,000,000**	110,000,000	110,000,000
Basic and diluted earnings (loss) per share	**(P 0.003)**	P 0.003	(P 0.368)

The Company has no dilutive potential common shares as at December 31, 2015, 2014 and 2013; hence, diluted earnings (loss) per share equals the basic income (loss) per share.

16. COMMITMENTS AND CONTINGENCIES

16.1 Operating Lease Commitments – Company as Lessee

In 2014 and prior years, the Company is a lessee under a non-cancellable operating lease agreement covering its office space. The lease has a term of one year and with renewable options. Total rental incurred from this operating lease amounted to P0.1 million in 2014, in 2013 (see Note 10). In 2015, the Company transferred to an office space located at a floor of a building being rented by one of the Company's stockholders, at no cost to the Company; hence, no rent expense was recognized in 2015 (see Note 13.4).

16.2 Others

There are commitments, guarantees, and contingent liabilities relating to construction projects and other activities entered into by the Company that arise in the normal course of operations which are not reflected in the financial statements. As at December 31, 2015, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Company's financial statements.

17. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's risk management is coordinated with the BOD, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Company is exposed to are described below and in the succeeding pages.

17.1 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from both its operating and investing activities.

(a) Foreign Currency Risk

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency.

(b) Interest Rate Risk

The Company has no significant exposure to interest rate risk as financial assets and liabilities are noninterest-bearing (receivables, payables and advances to and from related parties) or are carried at daily bank deposit rates and fixed interest rates (cash in banks and short-term placements, respectively).

17.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and other counterparties and by placing deposits.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties. In addition, advance payments representing portion of the total contract price are received from customers to mitigate credit risk.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements), as summarized below.

	Notes	**2015**	2014
Cash and cash equivalents	4	**P 2,971,298**	P 4,281,487
Receivables – net	5	**17,773,546**	16,184,539
		P 20,744,844	P 20,466,026

None of the Company's financial assets are secured by collateral or other credit enhancements. The management considers that all the above financial assets that are not impaired or past due for each reporting dates are of good credit quality.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks which are secured by a maximum coverage of P500,000 for every depositor per banking institution, as provided for under R.A. No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation,* are also subjected to credit risk.

(b) Receivables

In respect of receivables, the Company is exposed to significant credit risk exposure to its related parties. Contract receivables are 100% due from its related parties because the Company's construction projects are concentrated on the projects provided by its related parties. Based on historical information about customer default rates management considers the credit quality of contract receivables that are not impaired to be good. Some of the unimpaired contract receivables are past due as at the end of the reporting period.

	2015	2014
Not more than six months	**P 2,419,756**	P 2,098,340
More than one year	**10,003,200**	8,735,610
	P 12,422,956	P 10,833,950

17.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled payments for its financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection.

The Company maintains cash that is good for up to a 60-day period to meet its liquidity requirements.

As at December 31, 2015 and 2014, the Company's financial liabilities amount to P22.4 million and P21.7 million, respectively, have contractual maturities within six months to one year from the end of the reporting periods. The contractual maturities reflect the gross cash flows which approximates the carrying values of the liabilities at the end of the reporting periods.

18. CATEGORIES, FAIR VALUES AND OFFSETTING OF OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

18.1 Carrying Values and Fair Values by Category

The carrying values and fair values of the financial assets and financial liabilities presented in the statements of financial position are shown below.

		December 31, 2015		December 31, 2014	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	4	**P 2,971,298**	**P 2,971,298**	P 4,281,487	P 4,281,487
Contract and other receivables – net	5	**17,773,546**	**17,773,546**	16,184,539	16,184,539
		P 20,744,844	**P 20,744,844**	P 20,466,026	P 20,466,026
Financial Liabilities					
At amortized cost:					
Trade and other payables	8	**P 13,520,501**	**P 13,520,501**	P 12,730,586	P 12,730,586
Due to related parties	13.2	**8,929,400**	**8,929,400**	8,929,400	8,929,400
		P 22,449,901	**P 22,449,901**	P 21,659,986	P 21,659,986

See Notes 2.3 and 2.6 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 17.

Management considered the carrying amounts of these financial instruments to equal or approximate their fair values as at December 31, 2015 and 2014.

18.2 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company has no financial assets and financial liabilities measured at fair value as at December 31, 2015 and 2014. For financial assets (such as Cash and Cash Equivalents and Receivables) and financial liabilities (such as Trade and Other Payables and Due to Related Parties) measured at amortized cost for which fair value is disclosed, management considers that their carrying amounts equal or approximate their fair values (see Note 18.1).

18.3 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments as of December 31, 2015 and 2014 and does not have relevant offsetting arrangements except as disclosed in Note 13.2. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Company's outstanding advances to and receivables from related parties, gross of allowance for impairment amounting to P92.4 million and P90.8 million as at December 31, 2015 and 2014, respectively, can be potentially offset by the amount of outstanding advances from related parties amounting to P8.9 million as at December 31, 2015 and 2014, respectively (see Note 13).

19. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern (as discussed in Note 1.2) and to provide an adequate return to shareholders by pricing services commensurately with the level of risk. As also discussed in Note 1.2, management believes that the Company remains to have a strong financial condition since it is a member of a group of companies. Nevertheless, the challenge is in keeping it strong and improving its profitability to at least keep a healthy financial condition while the Company is transitioning from a construction company to real estate development company.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the pay-off of existing debts.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as follows:

	2015	2014
Total liabilities	**P 35,799,815**	P 34,519,066
Total equity	**4,807,122**	5,297,083
Debt-to-equity ratio	**7.45 : 1**	6.52 : 1

20. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

20.1 Requirements Under Revenue Regulations (RR) No. 15-2010

(a) Output VAT

In 2015, the Company declared output VAT amounting to P1,553,701 based on contract revenue amounting to P12,947,506.

The tax bases of contract revenues are based on the Company's gross receipts for the year; hence, may not be the same with the amounts presented in the 2015 statement of comprehensive income.

The Company has no outstanding output VAT payable as at December 31, 2015 after application of input VAT [see Note 20.1(b)].

The Company did not have zero-rated and VAT exempt transaction in 2015.

(b) Input VAT

The movements in input VAT in 2015 is summarized below.

Balance at beginning of year	P	171,192
Services lodged under cost of goods sold		1,222,103
Goods other than for resale or manufacture		249
Input VAT applied against output VAT	(	1,372,031)
Balance at end of year	**P**	**21,513**

The outstanding input VAT amounting to P21,513 and deferred input VAT amounting to P431,605 as at December 31, 2015 is presented as Input VAT under Other Current Assets account in the 2015 statement of financial position (see Note 6).

(c) Taxes on Importation

The Company has not paid or accrued any customs' duties and tariff fees as it has no importations for the year ended December 31, 2015.

(d) Excise Tax

The Company did not have any transactions in 2015, which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

The Company did not pay any DST in 2015.

(f) Taxes and Licenses

The details of taxes and licenses are broken down as follows (see Note 10):

Business tax	P	248,511
Municipal license and permits		8,996
Annual VAT registration		500
	P	**258,007**

(g) Withholding Taxes

The details of withholding taxes in 2015 are shown below.

Expanded	P	261,398
Compensation and benefits		161,392
	P	**422,790**

The Company has no transactions in 2015, which are subject to final withholding taxes.

(h) Deficiency Tax Assessments and Tax Cases

As of December 31, 2015, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

20.2 Requirements Under RR No. 19-2011

RR No. 19-2011 requires schedules of taxable revenues and other non-operating income, costs of sales and services, itemized deductions and other significant tax information, to be disclosed in the notes to financial statements.

The information of taxable revenues and income, and deductible costs and expenses presented below and in the succeeding page are based on relevant tax regulations issued by the BIR; hence, may not be the same as the amounts reflected in the 2015 statement of comprehensive income.

(a) Taxable Revenues

The Company's taxable revenues from rendering of services, which is subject to regular rate, amounted to P14,622,067 for the year ended December 31, 2015.

(b) Deductible Cost of Services

Deductible costs of services for the year ended December 31, 2015, which are subject to regular tax rate, comprises the following:

Cost of construction	P	12,185,056
Taxes, permits and licenses		71,723
	P	**12,256,779**

(c) Taxable Non-operating and Other Income

The Company has no taxable non-operating other income in 2015, which is subject to regular tax rate.

(d) Itemized Deductions

The Company's itemized deductions for the year ended December 31, 2015 is as follows:

Salaries and employee benefits	P	767,552
Outside services		639,563
Professional fees		386,132
Subscriptions		339,647
Taxes and licenses		186,283
Fuel and oil		59,506
Seminar, training and meetings		53,429
Communication, light and water		36,928
Repairs and maintenance		10,000
Office supplies		5,761
Depreciation		4,092
Miscellaneous		84,157
	P	**2,573,050**

P&A
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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 988 2288
F +63 2 886 5506
grantthornton.com.ph

The Board of Directors and Stockholders
Supercity Realty Development Corporation
Unit 1223 12/F, City & Land Mega Plaza
ADB Avenue corner Garnet Road
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Supercity Realty Development Corporation for the year ended December 31, 2015, on which we have rendered our report dated April 2, 2016. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 5321729, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-2 (until Apr. 30, 2016)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-19-2015 (until Mar. 18, 2018)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

April 2, 2016

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
As of December 31, 2015

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Current	Non Current	Balance at End of Period
Related Parties						
City and Life Property, Inc.	P 3,891,913	P 5,939	P -	P 3,897,852	P -	P 3,897,852
Prosperity Builders Resources, Inc.	3,426,193	-	-	3,426,193	-	3,426,193
Extraordinary Development Corporation	1,417,505	-	-	1,417,505	-	1,417,505
Total Receivable from Related Parties	P 8,735,611	P 5,939	P -	P 8,741,550	P -	P 8,741,550

SUPERCITY REALTY DEVELOPMENT CORPORATION

Schedule F. Indebtedness to Unconsolidated Subsidiary and Related Parties

As of December 31, 2015

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 Development Corporation	P 8,929,400	P -	P -	P -	P 8,929,400	P -	P 8,929,400

Supercity Realty Development Corporation
Schedule H - Capital Stock
December 31, 2015

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related balance sheet caption*	*Number of shares reserved for options, warrants, coversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common shares - P1 par value						
Authorized - 155,000,000 shares						
Issued and outstanding - 110,000,000 shares in 2015 and 2014	155,000,000	110,000,000	-	-	56,220,000	53,780,000

Supercity Realty Development Corporation
Summary of Financial Soundness Indicators
As at December 31, 2015 and 2014

Financial Soundness Indicators	Formula	2015	2014
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.16 : 1	1.18 : 1
Solvency:			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	7.45 : 1	6.52 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	8.45 : 1	7.52 : 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	-0.25%	0.35%

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

Supercity Realty and Development Corporation
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as at December 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		♋		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		♋		
Practice Statement Management Commentary			♋	
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	♋		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	♋		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	♋		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	♋		
	Amendment to PFRS 1: Government Loans**	♋		
PFRS 2	Share-based Payment			♋
	Amendments to PFRS 2: Vesting Conditions and Cancellations			♋
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			♋
PFRS 3 (Revised)	Business Combinations			♋
PFRS 4	Insurance Contracts			♋
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			♋
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			♋
PFRS 6	Exploration for and Evaluation of Mineral Resources			♋
PFRS 7	Financial Instruments: Disclosures	♋		
	Amendments to PFRS 7: Transition	♋		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	♋		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	♋		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	♋		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	♋		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	♋		
	Amendment to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures *(effective when PFRS 9 is first applied)*			♋
PFRS 8	Operating Segments**	♋		
PFRS 9	Financial Instruments (2014)* *(effective January 1, 2018)*			♋
PFRS 10	Consolidated Financial Statements			♋
	Amendment to PFRS 10: Transition Guidance			♋
	Amendment to PFRS 10: Investment Entities			♋
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(effective date deferred indefinitely)*			♋
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* *(effective January 1, 2016)*			♋

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 11	Joint Arrangements			♋
	Amendment to PFRS 11: Transition Guidance			♋
	Amendment to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations *(effective January 1, 2016)*			♋

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendment to PFRS 12: Transition Guidance			✓
	Amendment to PFRS 12: Investment Entities			✓
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* *(effective January 1, 2016)*			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts* *(effective January 1, 2016)*			✓
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Disclosure Initiative* *(effective January 1, 2016)*			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events After the Reporting Period	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Bearer Plants* *(effective January 1, 2016)*			✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization* *(effective January 1, 2016)*			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions**	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Revised)	Separate Financial Statements			✓
	Amendment to PAS 27: Investment Entities			✓
	Amendment to PAS 27: Equity Method in Separate Financial Statements *(effective January 1, 2016)*			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures			✓
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* *(effective date deferred indefinitely)*			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 28: Investment Entities - Applying the Consolidation Exception* *(effective January 1, 2016)*			♋
PAS 29	Financial Reporting in Hyperinflationary Economies			♋

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Presentation	♋		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	♋		
	Amendment to PAS 32: Classification of Rights Issues	♋		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	♋		
PAS 33	Earnings Per Share	♋		
PAS 34	Interim Financial Reporting	♋		
PAS 36	Impairment of Assets	♋		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	♋		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	♋		
PAS 38	Intangible Assets			♋
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization* *(effective January 1, 2016)*			♋
PAS 39	Financial Instruments: Recognition and Measurement	♋		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	♋		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions**	♋		
	Amendments to PAS 39: The Fair Value Option	♋		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	♋		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	♋		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	♋		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives**	♋		
	Amendment to PAS 39: Eligible Hedged Items**	♋		
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting**	♋		
PAS 40	Investment Property			♋
PAS 41	Agriculture			♋
	Amendment to PAS 41: Bearer Plants* *(effective January 1, 2016)*			♋
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities**	♋		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			♋
IFRIC 4	Determining Whether an Arrangement Contains a Lease	♋		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds**	♋		
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			♋
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			♋
IFRIC 9	Reassessment of Embedded Derivatives**	♋		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives**	♋		
IFRIC 10	Interim Financial Reporting and Impairment	♋		
IFRIC 12	Service Concession Arrangements			♋
IFRIC 13	Customer Loyalty Programmes			♋

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**	♋		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction**	♋		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			♋

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
IFRIC 17	Distributions of Non-cash Assets to Owners**	♋		
IFRIC 18	Transfers of Assets from Customers**	♋		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	♋		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			♋
IFRIC 21	Levies**	♋		
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			♋
SIC-10	Government Assistance - No Specific Relation to Operating Activities			♋
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			♋
SIC-15	Operating Leases - Incentives	♋		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	♋		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	♋		
SIC-29	Service Concession Arrangements: Disclosures			♋
SIC-31	Revenue - Barter Transactions Involving Advertising Services			♋
SIC-32	Intangible Assets - Web Site Costs			♋

* These standards will be effective for periods subsequent to 2015 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Company has no significant transactions covered in both years presented.

SEC Number **A200008385**
File Number

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)

March 31, 2016
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 **March 31, 2016**

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)6387779**

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 [ ]

Statements of Financial Position
As of March 31, 2016 and December 31, 2015

	31-Mar-16	*Based on Audited FS* 31-Dec-15
ASSETS		
CURRENT ASSETS		
Cash & cash equivalents	2,432,518	2,971,298
Trade & other receivables (Note 1)	16,874,705	17,773,546
Prepayments and other current assets (Note 2)	19,942,001	19,862,093
Total current assets	**39,249,224**	**40,606,937**
TOTAL ASSETS	**39,249,224**	**40,606,937**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables (Note 3)	25,116,195	25,832,411
Due to related parties	8,929,400	8,929,400
Provision for repairs	133,032	133,032
Total current liabilities	**34,178,627**	**34,894,843**
NON-CURRENT LIABILITIES		
Retirement benefit obligation	**904,972**	**904,972**
Total Liabilities	**35,083,599**	**35,799,815**
EQUITY		
Capital stock	110,000,000	110,000,000
Additional paid-in capital	1,509,641	1,509,641
Revaluation Reserve	(213,275)	(213,275)
Retained earnings	(107,130,741)	(106,489,244)
Total equity	**4,165,625**	**4,807,122**
TOTAL LIABILITIES AND EQUITY	**39,249,224**	**40,606,937**

* December 31, 2015 figures were audited by Punongbayan & Araullo.

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Comprehensive Income
For the 3-month periods ended March 31, 2016 and 2015

Account Title	Jan - Mar 2016	Jan - Mar 2015
REVENUES	434,533	965,357
CONTRACT COSTS	409,179	872,888
GROSS PROFIT	25,355	92,469
OPERATING EXPENSES		
Administrative expenses (Note 4)	235,184	245,846
Other operating expenses (Note 5)	431,798	441,975
	666,982	687,822
OPERATING PROFIT/(LOSS)	(641,627)	(595,353)
OTHER INCOME (CHARGES)		
Other gains - net	130	315
	130	315
INCOME BEFORE TAX	(641,497)	(595,038)
TAX EXPENSE	-	-
NET INCOME	(641,497)	(595,038)
Earning (Loss) Per Share		
Net Income	(641,497)	(595,038)
Shares Outstanding	110,000,000	110,000,000
Earning (Loss) per share	**(0.0058)**	**(0.0054)**

Note 1

Trade & other receivables	As Of 03/31/2016	12/31/2015
Current:		
Contract receivable (net of impairment)	8,103,229	9,002,070
Advances to related parties	8,741,550	8,741,550
Others	29,926	29,926
	16,874,705	17,773,546

Note 2

Prepayments and other current assets	As Of 03/31/2016	12/31/2015
Creditable Withholding tax	19,032,138	19,032,138
Advances to suppliers and subcontractors	122,086	122,086
Prepaid Expenses	787,777	707,869
	19,942,001	19,862,093

Note 3

Trade and other payables	As Of 03/31/2016	12/31/2015
Deferred output valued-added taxes	9,480,805	9,393,928
Advances from customers	2,865,392	2,865,392
Retention fees	5,642,320	5,843,967
Trade payables	6,863,645	7,557,722
Other payables and accrued expenses	264,033	171,402
Total	25,116,195	25,832,411
	-	-

Note 4

	For the Quarter Ending 03/31/2016	03/31/2015
Administrative Expenses:		
Salaries and employee benefits	173,400	173,736
Taxes and licenses	45,944	55,973
Depreciation and amortization	-	1,137
Professional fees	15,840	15,000
	235,184	245,846

Note 5

	For the Quarter Ending 03/31/2016	03/31/2015
Other Operating Expenses:		
Subscription	256,914	260,327
Contractual and service fees	139,633	145,224
Communication, Light and water	7,002	10,816
Stationery and supplies	50	3,605
Miscellaneous	28,199	22,004
	431,798	441,975

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Changes in Equity
For the 3-month periods ended March 31, 2016 and 2015

	Capital Stock	Additional Paid-in Capital	Revaluation Reserved	Retained Earnings(Deficit)	Total
Balance at January 1, 2016	P 110,000,000	P 1,509,641	(P213,275)	(P 106,489,244)	P 4,807,122
Net Income for the quarter	-	-	-	(641,497)	(641,497)
Balance at March 31, 2016	**P 110,000,000**	**P 1,509,641**	**(P213,275)**	**(P107,130,741)**	**P 4,165,625**
Balance at January 1, 2015	P 110,000,000	P 1,509,641	P 0	(P 106,212,558)	P 5,297,083
Net Income for the quarter	-	-		(595,038)	(595,038)
Balance at March 31, 2015	P 110,000,000	P 1,509,641	P 0	(P106,807,596)	P 4,702,045

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Cash Flows
For the 3-month periods ended March 31, 2016 and 2015

	Jan - March 2016	Jan - March 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	(641,497)	(595,038)
Adjustments for:		
Depreciation and amortization	-	1,137
Interest income	(130)	(315)
Operating income before working capital changes	(641,627)	(594,216)
Decrease (Increase) in trade and other receivables	898,842	(965,357)
Decrease (Increase) in prepayments and other current assets	(79,908)	-
Increase (Decrease) in trade payables and other payables	(716,216)	901,000
Increase retirement benefit obligation	-	14,733
Cash Generated from (used in) Operations	(538,910)	(643,840)
Income tax expense (Cash paid for income taxes)	-	178,511
Net Cash From (Used in) Operating Activities	**(538,910)**	**(465,328)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	130	315
Net Cash From (Used in) Investing Activities	**130**	**315**
NET INCREASE (DECREASE) IN CASH	**(538,780)**	**(465,013)**
CASH AT BEGINNING OF YEAR	**2,971,298**	**4,281,487**
CASH AT END OF PERIOD	**2,432,518**	**3,816,474**

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule of Aging of Accounts Receivable Trade
As of March 31, 2016

Client	Current	1 - 30 days	31 - 60 days	61 - 90 days	Overdue	Total
Verdant Point (VPC)	-				5,362,822	5,362,822
Aspiration Land Inc	-				1,219,492	1,219,492
Cenq	1,520,915			-	-	1,520,915
Total	1,520,915	-	-	-	6,582,314	8,103,229

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 2015***

   The Company adopted for the first time the following amendments and interpretation to PFRS that are relevant to the Company and effective for financial statements for the annual period beginning on or after January 1, 2015:

   PAS 19 (Amendment) : Employee Benefits – Defined Benefit Plans – Employee Contributions
   Annual Improvements : Annual Improvements to PFRS (2010-2012 Cycle) and

PFRS (2011-2013 Cycle)

Discussed below and in the succeeding page are the relevant information about these amendment and annual improvements.

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions*. The amendment clarifies that if the amount of the contributions to defined benefit plans from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. The amendment did not have a significant impact on the Company's financial statements since the Company's defined benefit plan does not require employees or third parties to contribute to the benefit plan.

(ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the amendments discussed in the succeeding page are relevant to the Company but had no material impact on the Company's financial statements.

Annual Improvements to PFRS (2010-2012 Cycle)

- PFRS 8 (Amendment), *Operating Segments – Aggregation of Operating Segments, and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets.* This amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker.

- PAS 16 (Amendment), *Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization.* The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

- PAS 24 (Amendment), *Related Party Disclosures – Disclosure of Key Management Personnel*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

Annual Improvement to PFRS (2011-2013 Cycle)

PFRS 13 (Amendment), *Fair Value Measurement – Scope of Portfolio Exception*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation.*

(b) New Interpretations, Revisions and Amendments that are not Relevant to the Company

The following annual improvements to PFRS are mandatory for accounting periods beginning on or after January 1, 2015 but are not relevant to the Company's financial statements:

PFRS (2010-2012 Cycle)

PFRS 2 (Amendment) : Share-based Payment – Definition of Vesting Condition
PFRS 3 (Amendment) : Business Combinations – Accounting for Contingent Consideration in a

Business Combination
PAS 38 (Amendment) : Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization
PFRS (2011-2013 Cycle)

PFRS 3 (Amendment) : Business Combinations – Scope Exceptions for Joint Ventures
PAS 40 (Amendment) : Investment Property – Clarifying the Interrelationship between PFRS 3 and PAS 40

(c) Effective Subsequent to 2015 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2015 which are issued by the FRSC, subject to the approval of the BOA. 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) PAS 1 (Amendment), Presentation of Financial Statements – Disclosure Initiative (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PAS 16 (Amendment), Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation and Amortization (effective from January 1, 2016). The amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iii) PAS 16 (Amendment), Property, Plant and Equipment, and PAS 41 (Amendment), Agriculture – Bearer Plants (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.

(iv) PFRS 9 (2014), Financial Instruments (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 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;

- an expected loss 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.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.
The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(v) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Company but management does not expect these to have material impact on the Company's financial statements:

- PFRS 7 (Amendment), Financial Instruments – Disclosures. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

- PAS 19 (Amendment), Employee Benefits – Discount Rate. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency

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 (1^{st}) quarter. It peaks starting on the summer months, that is, during the second (2^{nd}) to the third (3^{rd}) 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 lower revenue since there are few subsisting contracts for the year 2016.

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 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 March 31, 2016, 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 March 31, 2016 that have not been reflected in the financial statements for the three (3)-month period covered January to March 31, 2016.

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, 2015.

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 March 31, 2016.

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 March 31, 2016

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.	3,891,913	5,939	-	3,891,912	-	3,897,852
Prosperity Builders Resources	3,426,193	-	-	3,426,193	-	3,426,193
Supreme Housing Builders	1,417,505	-	-	1,417,505	-	1,417,505
Total	8,735,611	5,939	-	8,741,550	-	8,741,550

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 December March 31, 2016

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.	8,929,400	-	-		8,929,400		8,929,400
Total	8,929,400	-	-	-	8,929,400	-	8,929,400

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 March 31, 2016

				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	3/31/2016	12/31/2015
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.15 : 1	1.16 : 1
Solvency:			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	8.42 : 1	7.45 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	9:42 : 1	8.45 : 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	-0.58%	-0.45%

*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

Financial Condition

Total Assets

The Company's total assets amounted P 39.25M as of March 31, 2016, 3.34% lower than the December 31, 2015 figure of P 40.61M. There was a minimal change on the total assets of the company since it has no unusual business transactions. The decrease was brought about by the decrease in trade receivables and cash and cash equivalents accounts.

Property and Equipment

Property and equipment as of December 31, 2015 were fully depreciated. The Company employs subcontractors that can provide the necessary equipment.

Total Liabilities

The Company's total liabilities as of March 31, 2016, amounted to P 34.18M, a 2.05% decrease as compared to the December 31, 2015 balance of P 34.89M. The decrease was primarily brought by the decrease in trade and other payable accounts.

Liquidity

The Company posted a current ratio of 1.15:1 as of March 31, 2016, a little lower than the 1.16:1 current ratio as of December 31, 2015. The slight decrease can be attributed to the decrease in trade receivable and cash in bank accounts.

Leverage

Debt-to-equity ratio as of March 31, 2016, was determined to be 8.42:1 higher than the 7.45:1 ratio as of December 31, 2015. The increase was brought about by the net loss incurred during the given quarter and the decrease in trade and other payable accounts.

Results of Operation

Revenues

Revenues from contracts for 2016Q1 amounted to P 0.43M, 55% lower than the P 0.97M in 2015Q1. The decrease can be attributed to the lower remaining contract in 2016. Moreover, contract revenues for the 2016Q1 were generated from the Housing project in Rodriguez, Rizal which were awarded in 2015.

Gross Profit

Gross profit from construction contracts decreased by 72% from P 92K in 2015Q1 to P 25K in 2016Q1. On the other hand, gross profit ratio decrease from 9.58% to 6%. Thus, resulted to lower gross profit in 2016Q1.

Cost and Expenses

Costs and expenses for 2016Q1 amounted to P 1.08M, 31% lower than the P 1.56M in 2015Q1. Cost of services for 2016Q1 comprised 38% of the total costs and expenses. Cost of services decreased by 53% from P 0.87M in 2015Q1 to P 0.41M in 2016Q1. The decrease was primarily brought about by the decrease in revenue generated in 2016Q1 since most of these costs are variable in nature.

For the total operating expenses, 2016Q1 amounted to 0.67M, 3.03% lower than the 2015Q1 of 0.69M. The minimal decrease was primarily brought about by the decrease in taxes and licenses, subscription and supplies incurred for the given quarter in 2016.

Operating Profit (Loss)

As a result of the foregoing, operating profit (loss) in 2016Q1 amounted to (P 0.64M) from (P 0.60M) in 2015Q1. Correspondingly, operating margin (loss) ratio increased from (62%) in 2015Q1 to (148%) in 2016Q1. The increase can be attributed to the lower revenue generated by the Company in 2016Q1 as discussed under revenue above.

Other Income / Charges

No financing costs incurred in 2015Q1 and in 2016Q1 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 lower revenue this 2016Q1, net loss increased from P 0.60M in 2015Q1 to P 0.64M in 2016Q1. This likewise resulted to the increase of net loss ratio of 62% in 2015Q1 to 148% in 2016Q1. Finally, this translated into earnings (loss) per share of (P0.0058) in 2016Q1 from P0.0054 in 2015Q1.

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 2016Q1, the Company posted an ROI of (0.58%) compared to the 2015Q1 ROI of (0.54%). The decrease in ROI can be attributed to the lower 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.

The Company posted a fixed assets turnover rate of 274 times in 2015Q1. However, in 2016, 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 March 31, 2016 was computed at 1.15:1 lower than the 1.16:1 ratio at the beginning of the year. The slight decrease can be attributed to the decrease in the trade receivable and cash in bank 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 March 31, 2016 was determined to be 8.42:1 slightly higher than the 7.45:1 times as of December 31, 2015. The increase was brought about by the net loss incurred during the 2016Q1 and the decrease on the 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 1st quarter of the year 2015, 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* 31-Mar-16	31-Dec-15	Inc/(Dec) Amount	%	Remarks
Cash	2,432,518	2,971,298	(538,780)	-18%	Decrease due to decrease in cash in bank and trade receivable accounts for the payment of operating expenses
Trade and other receivable	16,874,705	17,773,546	(898,842)	-5%	Decrease pertains to the collections of retention receivables
Total equity	4,165,625	4,807,122	(641,497)	-13%	The decrease pertains to net loss incurred by the company for 2016Q1

Income Statement Items:

Account Title	For the Quarter Ending 03.31.16	03.31.15	Inc/(Dec) Amount	%	Remarks
Revenues	434,533	965,357	(530,824)	-55%	Lesser revenue were generated for 2016Q1 due to completion of contracts in 2015 while new contracts are still for awarding
Contract Cost	409,179	872,888	(463,709)	-53%	The decrease is caused by lesser construction activities as reflected in the above revenue item since this item is variable in nature
Gross profit	25,355	92,469	(67,114)	-73%	Decrease due to decrease in revenue as described above
Operating Profit/(Loss)	(641,627)	(595,353)	46,274	-8%	Decrease due to decrease in revenue as described above
Income (loss) before tax	(641,497)	(595,038)	(46,459)	8%	Incurred net loss in 2016Q1 due to lower revenue as described above
Net Income	(641,497)	(595,038)	(46,459)	8%	Incurred net loss in 2016Q1 due to lower revenue as described above

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 ....May 12, 2016