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, 28 June 2017** 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 2016 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 5 **June 2017** 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 **26 June 2017**. Proxies submitted shall be validated by a Committee of Inspectors on **28 June 2017** 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, 2 June 2017.

EMELITA MANGOSING
Corporate Secretary

SEC Number **A200008385**
File Number

SUPERCITY REALTY DEVELOPMENT CORPORATION
(Company's Full Name)

41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVE., 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 28, 2017
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 28, 2017 / 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 06, 2017**

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, 2017	**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

GENERAL INFORMATION

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 28, 2017 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.

(b) The Company's office and mailing address is at **41st FLOOR JOY NOSTALG CENTER, NO. 17 ADB AVENUE ORTIGAS CENTER, PASIG CITY**

(c) The approximate date on which information statement shall be sent or given to security holders is on **June 06, 2017**.

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, 2017, 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 5, 2017.

(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, 2017, 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, 2017, 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 2017 – 2018**:**

Ferdinand Z. Soliman, 53, *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, 53, 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. She is currently works as Procurement Manager in Raemulan Lands, Incorporated' a real estate company.

Mylene T. Lim, 52, *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, 42, *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, 52, *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. He currently works as Construction Manager in Raemulan Lands Incorporated, a real estate company.

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 28, 2017.

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, 46, **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 Finance & Admin. Manager in PSI Healthcare Development Corporation, a healthcare company.

Engr. Roseller C. Anacito, 52, *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 works as Site Construction Senior Manager at Raemulan Lands Inc., 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 15, 2017, 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

Principal Officers

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

Ferdinand Z. Soliman, 53, *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, 52, *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, 52, 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, 48, *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	2016	2015	2016	2015
Related Parties under Common Ownership:				
Construction Services	12,843,469	14,622,067	83,674,508	83,674,508

Advances from Related Parties	823,650	1,693,903	8,929,400	8,929,400
Advances to Related Parties	179,164	5,939	8,741,550	8,741,550
Key Management Personnel:				
Compensation	570,664	790,725	904,972	904,972

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:

	2016	2015
Balance at beginning of the year	8,741,550	8,735,611
Additions	179,164	5,939
Allowance for Impairment	(8,707,556)	(8,707,556)
Balance at end of year	213,158	33.994

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 29, 2016, 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 2015, 2016 and 2017 (estimate only).

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	2015 (actual)	790,725	Nil
	2016 (actual)	570,664	Nil
	2017 (estimate)	850,000	Nil
All Directors and Officers as a Group Unnamed	2015 (actual)	790,725	Nil
	2016 (actual)	570,664	Nil
	2017 (estimate)	850,000	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

	2016	2015
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, 2016 is attached hereto as **Annex "B"**.

b. Interim Financial Statements

A copy of Company's Interim Financial Statements for the quarter ended March 31, 2017 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 29, 2016 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, 2016; 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, 2016;
- 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 29, 2016:

Date/Type of Meeting	Resolutions/Matters Approved
June 29, 2016/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
July 20, 2016/Board of Directors' Meeting	Confirmation of the Second Quarter Financial Reports for the quarter ended June 30, 2016
Oct. 19, 2016/Board of Directors' Meeting	Confirmation of the Third Quarter Financial Reports for the quarter ended September 30, 2016

	Initial presentation of Annual Budget for 2017
Dec. 07, 2016/Board of Directors' Meeting	Confirmation of 2017 annual budget
April 7, 2017/Board of Directors' Meeting	Authorizing issue the 2016 financial statements
May 15, 2017/Board of Directors' Meeting	Setting June 5, 2017 as the Record Date for the Annual Meeting Setting June 28, 2017 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 28, 2017.

The information statement and this proxy shall be sent through mail starting June 6, 2017. 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 26, 2017 5:00 pm.

Instructions

This proxy must be dully accomplished by the stockholder of record as of June 2, 2017, 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 25, 2017 at the following address:

Attention: Emelita Mangosing
The Corporate Secretary
Supercity Realty Development Corporation
41^{st} 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 26, 2017 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 28, 2017.

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 2 June 2017.

SUPERCITY REALTY DEVELOPMENT CORPORATION
Issuer

ENGR. EMELITA MANGOSING
Corporate Secretary

MR. ENRIQUE CUNANAN
Compliance-Information-Officer

June 2, 2017

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 19 MAY 2017 day of May 18, 2017 at Pasig City.

EMELITA MANGOSING
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 19 MAY 2017 day of ________ 2017 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 DECEMBER 31, 2018
41ST FLr. JOY NOSTALG CENTER
NO. 17 ADB A AVENUE, ORTIGAS.
PASIG CITY
PTR NO. 7647592 01-06-17/OIC.
IBP NO. LRN-07039/6-21-07/RIZAL
ROLL NO. 51224
MCLE NO. V-0002189 - 05-08-14

Doc. No. 186;
Page No. 37;
Book No. VI;
Series of 2017.

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
PSI Healthcare Dev't. Corp.	Finance & Admin. Manager	Sept. 16, 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 19 MAY 2017 day of ________ at, PASIG CITY.

Affiant

SUBSCRIBED AND SWORN to before me this 19 MAY 2017 day of ________ at PASIG CITY, affiant personally appeared before me and exhibited to me his/her Tax Identification Number 115-883-241.

Doc. No. 303
Page No. 62
Book No. VI
Series of 2017

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DECEMBER 31, 2018
41ST FLR. JOY NOSTALG CENTER
NO. 17 ADB A AVENUE, ORTIGAS,
PASIG CITY
PTR NO. 7647592 01-06-17/OIC.
IBP NO. LRN-07039/6-21-07/RIZAL
ROLL NO. 51224
MCLE NO. V-0002189 - 05-08-14

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
Raemulan Lands Inc.	Site Construction – Senior Manager	October 04, 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 19 MAY 2017 day of ________ at, PASIG CITY.

Affiant

SUBSCRIBED AND SWORN to before me this 19 MAY 2017 day of ____________ at PASIG CITY, affiant personally appeared before me and exhibited to me his/her Tax Identification Number 157-467-745.

Doc. No. 302
Page No. 62
Book No. XI
Series of 2017

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DECEMBER 31, 2018
41ST FLr. JOY NOSTALG CENTER
NO. 17 ADB AVENUE, ORTIGAS.
PASIG CITY
PTR NO. 7647592 01-06-17/OIC.
IBP NO. LRN-017039/6-21-07/RIZAL
ROLL NO. 51224
MCLE NO. V-0002189 - 05-08-14

SuperCity Realty Development Corporation

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

ANNEX - B

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of SUPERCITY REALTY DEVELOPMENT CORPORATION (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

PUNONGBAYAN & ARAULLO, the independent auditors appointed by the stockholders, has audited the financial statements of the SUPERCITY REALTY DEVELOPMENT CORPORATION in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

FERDINAND Z. SOLIMAN
Chairman of the Board

FERDINAND Z. SOLIMAN
Chief Executive Officer

MYLENE T. LIM
Chief Financial Officer

Signed this _____ day of __________

SUBSCRIBED AND SWORN to before me on this 11 APR 2017, 2017 PASIG CITY Affiant(s) exhibiting to me his/their Tax Identification Number as follows:

NAMES	TIN
FERDINAND SOLIMAN	106-835-141
MYLENE LIM	106-835-915

Doc. No. 191;
Page No. 40;
Book No. V;
Series of 2017.

ROMMEL B. BALIGOD
NOTARY PUBLIC UNTIL DECEMBER 31, 2018
41ST FLR JOY NOSTALG CENTER
NO. 17 ADB A AVENUE, ORTIGAS,
PASIG CITY
PTR NO. 7647592 01-06-17/OIC,
IBP NO. LRN-07039/6-21-07/RIZAL
ROLL NO. 51224
MCLE NO. V-0002189 - 05-06-14

Report of Independent Auditors

The Board of Directors and Stockholders
Supercity Realty Development Corporation
41st Floor, Joy-Nostalg Building
No. 17 ADB Avenue, Ortigas Center
Brgy., San Antonio, Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Supercity Realty Development Corporation (the Company), which comprise the statements of financial position as at December 31, 2016 and 2015, 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, 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2016 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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 net losses from its operations in the current and prior years resulting in a substantial deficit as at December 31, 2016 and 2015. This condition, along with the other matters set forth in Note 1, indicates the existence of a material 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. In addition, the same related parties have expressed their commitment to provide continuing financial support to the Company until such time that the Company is able to improve its financial condition. In connection with our audit, we have performed audit procedures to evaluate management's plans and actions as to likelihood of improving the situation and as to feasibility under the circumstances. Accordingly, the accompanying financial statements have been prepared assuming that the Company will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described below to be the key audit matters to be communicated in our report.

(a) Revenue Recognition of Construction Contracts

Description of the Matter

The Company solely derives its revenues from construction contracts with its related parties. The Company uses the percentage of completion method to determine the appropriate amount to recognize as contract revenues in a given period. In our view, the revenue recognition of construction contracts is significant to our audit as it involves significant management judgment and estimate on the stage of completion of each construction contract.

The Company's disclosures on revenue recognition of construction contracts, estimation uncertainty, and contract revenues are included in Notes 2, 3, and 13 to the financial statements, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition of construction contracts, which was considered to be a significant risk, included, among others, the following:

- Updating our understanding of the Company's contract revenues and costs processes, and controls over the recognition and measurement of contract revenues and costs;

- Examining all construction contracts in the current period for contract prices, construction period, terms and other conditions, and compliance;

- Testing the schedules of contracts completed and on-going project as of the end of the reporting period such as, but not limited to, verifying the mathematical accuracy of the schedules, agreeing beginning balances, and recalculating ending balances based on contract costs for the current period; and agreeing contract prices to construction contracts;

- Comparing the stage of completion as determined by project engineers engaged by the Company and its customers against the stage of completion used by the Company;

- Evaluating whether the methodology by which management determines the stage of completion for construction contracts is appropriate and consistent with prior periods;

- Performing analytical review procedures on contract revenues and costs, prior period estimates and consistency with the developments during the current period, stage of completion, and final forecast project results based on our expectations, and following up variances from our expectations;

- Performing detailed analysis of progress billings and actual costs by tracing a sample of transactions throughout the current period to source data to verify the propriety of reported amounts, and verifying the appropriateness of the Company's cut-off procedures on contract revenues; and,

- Evaluating the sufficiency and adequacy of disclosures in the Company's financial statements in accordance with PFRS.

(b) Recoverability of Significant Past Due Contracts Receivables

Description of the Matter

The Company has significant past due but not impaired contracts receivables (i.e., more than one year) from certain related parties, which amounted to P10.2 million arising from construction operations as of December 31, 2016. The Company evaluates these accounts based on available facts and circumstances affecting the counterparties. In our view, this matter is significant to our audit as it involves significant management judgment and estimate on the recoverability of these significant past due contracts receivables.

The Company's disclosures on estimation uncertainty, Receivables account and related party transactions, and credit risk are included in Notes 3, 5 and 13, and, 17 to the financial statements, respectively.

How the Matter was Addressed in the Audit

Our audit procedures, included among others, the following:

- Updating our understanding of the Company's credit and collection policy;

- Performing detailed analysis of the Company's aging of receivables including, among others, testing the accuracy of the aging buckets on a sample basis, and checking subsequent collections or activities related thereto;

- Evaluating the Company's methodology for identifying credit risk and estimating future cash flows, including the related party debtors' payment abilities by examining payment and transaction history with the Company;

- Performing analytical review procedures including, among others, receivable turnover and other ratio analyses, prior period estimates on allowance for impairment and consistency with the developments during the current period based on our expectations and following up variances from our expectations; and,

- Evaluating the sufficiency and adequacy of disclosures in the Company's financial statements in accordance with PFRS.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2016, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2016 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 2016 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 PFRS. 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.

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 5908629, January 3, 2017, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
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 7, 2017

Report of Independent Certified Public Accountants to Accompany Income Tax Return

The Board of Directors and Stockholders
Supercity Realty Development Corporation
41st Floor, Joy-Nostalg Building
No. 17 ADB Avenue, Ortigas Center
Brgy., San Antonio, Pasig City

We have audited the financial statements of Supercity Realty Development Corporation (the Company) for the year ended December 31, 2016, on which we have rendered the attached report dated April 7, 2017.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 5908629, January 3, 2017, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
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 7, 2017

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015
(Amounts in Philippine Pesos)

	Notes	2016	2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	P 2,800,117	P 2,971,298
Receivables - net	5	14,692,638	17,773,546
Other current assets	6	20,088,814	19,862,093
TOTAL ASSETS		P 37,581,569	P 40,606,937
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	P 23,087,054	P 25,832,411
Due to related parties	13	9,753,050	8,929,400
Provisions for rework	3	133,032	133,032
Total Current Liabilities		32,973,136	34,894,843
NON-CURRENT LIABILITY			
Post-employment benefit obligation	11	172,564	904,972
Total Liabilities		33,145,700	35,799,815
EQUITY			
Capital stock	14	110,000,000	110,000,000
Additional paid-in capital		1,509,641	1,509,641
Revaluation reserve	11	(21,954)	(213,275)
Deficit		(107,051,818)	(106,489,244)
Total Equity		4,435,869	4,807,122
TOTAL LIABILITIES AND EQUITY		P 37,581,569	P 40,606,937

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
CONTRACT REVENUES	13	**P 12,843,469**	P 14,622,067	P 18,590,194
CONTRACT COSTS	10	**10,767,108**	12,256,779	15,724,496
GROSS PROFIT		**2,076,361**	2,365,288	2,865,698
OPERATING INCOME (EXPENSE)				
Administrative expenses	10	**(1,456,416)**	(1,388,187)	(1,504,392)
Other operating expenses	10	**(1,127,737)**	(1,210,236)	(1,283,507)
Other operating income	9	**-**	-	335,718
		(2,584,153)	(2,598,423)	(2,452,181)
OPERATING PROFIT (LOSS)		**(507,792)**	(233,135)	413,517
FINANCE INCOME (COSTS) – Net				
Finance costs	11	**(38,371)**	(23,460)	-
Finance income	4	**31,395**	34,019	31,971
		(6,976)	10,559	31,971
PROFIT (LOSS) BEFORE TAX		**(514,768)**	(222,576)	445,488
TAX EXPENSE	12	**(47,806)**	(54,110)	(63,708)
NET PROFIT (LOSS)		**(562,574)**	(276,686)	381,780
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Gain (loss) on remeasurements of post-employment benefit obligation	11	**191,321**	(213,275)	-
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P 371,253)**	(P 489,961)	P 381,780
Basic and Diluted Earnings (Loss) Per Share	15	**(P 0.005)**	(P 0.003)	P 0.003

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Capital Stock (see Note 14)	Additional Paid-in Capital	Revaluation Reserve (see Note 11)	Deficit	Total
Balance at January 1, 2016	P 110,000,000	P 1,509,641	(P 213,275)	(P 106,489,244)	P 4,807,122
Total comprehensive income (loss) for the year	-	-	191,321	(562,574)	(371,253)
Balance at December 31, 2016	**P 110,000,000**	**P 1,509,641**	**(P 21,954)**	**(P 107,051,818)**	**P 4,435,869**
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

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		(P 514,768)	(P 222,576)	P 445,488
Adjustments for:				
Interest cost	11	38,371	23,460	-
Interest income	4	(31,395)	(34,019)	(31,971)
Depreciation and amortization	7	-	4,092	8,185
Operating profit (loss) before working capital changes		(507,792)	(229,043)	421,702
Decrease (increase) in receivables		3,080,908	(1,589,007)	(306,229)
Increase in other current assets		(268,248)	(563,368)	(410,867)
Increase (decrease) in trade and other payables		(2,745,357)	1,020,841	376,544
Increase in due to related parties		823,650	-	1,798,099
Decrease in provisions for rework		-	-	(335,718)
Increase (decrease) in post-employment benefit obligation		(579,458)	23,173	50,225
Cash generated from (used in) operations		(196,297)	(1,337,404)	1,593,756
Cash paid for income taxes	12	(6,279)	(6,804)	(6,394)
Net Cash From (Used in) Operating Activities		(202,576)	(1,344,208)	1,587,362
CASH FLOWS FROM AN INVESTING ACTIVITY				
Interest received	4	31,395	34,019	31,971
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(171,181)	(1,310,189)	1,619,333
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,971,298	4,281,487	2,662,154
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 2,800,117	P 2,971,298	P 4,281,487

See Notes to Financial Statements.

SUPERCITY REALTY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016, 2015 AND 2014
(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, 2016, 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). As of the report date, the Company's application for the change in address is still for approval by the SEC.

1.2 Status of Operations

The Company incurred significant net loss from its operations of P0.6 million in 2016 and P0.3 million in 2015 and as a result, it reported a substantial deficit of P107.1 million and P106.5 million as at December 31, 2016 and 2015, respectively. The Company reported only minimal profits in 2014. This condition, along with the matters discussed in Note 1.1, indicates the existence of a material 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, 2016 (including the comparative financial statements as of December 31, 2015 and for the years ended December 31, 2015 and 2014) were authorized for issue by the Company's BOD on April 7, 2017.

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.

(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 2016 that are Relevant to the Company

The Company adopted for the first time the following new pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2016 but had no material impact on the Company's financial statements:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Disclosure Initiative
PAS 16 and PAS 38 (Amendments)	:	Property, Plant and Equipment, and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization
PAS 16 and PAS 41 (Amendments)	:	Property, Plant and Equipment, and Agriculture – Bearer Plants
Annual Improvements	:	Annual Improvements to PFRS (2012-2014 Cycle)

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure Initiative.* The amendments encourage entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, they clarify 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. They further clarify 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 (Amendments), *Property, Plant and Equipment*, and PAS 38 (Amendments), *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization.* The amendments in PAS 16 clarify 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. In addition, amendments to PAS 38 introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendments also provide 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) Annual Improvements to PFRS (2012-2014 Cycle). Among the improvements, the following amendments are relevant to the Company but had no material impact on the Company's financial statements as these amendments merely clarify the existing requirements:

- PAS 19 (Amendments), *Employee Benefits – Discount Rate: Regional Market Issue.* The amendments clarify 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.

- PFRS 7 (Amendments), *Financial Instruments: Disclosures – Servicing Contracts.* The amendments provide 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.

(b) Effective in 2016 that are not Relevant to the Company

The following new PFRS, amendments and annual improvements to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2016 but are not relevant to the Company's financial statements:

PAS 27 (Amendments)	:	Separate Financial Statements – Equity Method in Separate Financial Statements
PFRS 10, PFRS 12 and PAS 28 (Amendments)	:	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Investments in Associates and Joint Ventures – Applying the Consolidation Exception
PFRS 11 (Amendments)	:	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
PFRS 14	:	Regulatory Deferral Accounts
Annual Improvements to PFRS (2012-2014 Cycle)		
PAS 34 (Amendments)	:	Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report"
PFRS 5 (Amendments)	:	Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal
PFRS 7 (Amendments)	:	Financial Instruments: Disclosures – Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements

(c) *Effective Subsequent to 2016 but not Adopted Early*

There are new PFRS and amendments to existing standards effective for annual periods subsequent to 2016, 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 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative* (effective from January 1, 2017). The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

(ii) PAS 12 (Amendments), *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses* (effective from January 1, 2017). The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount; (c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference.

(iii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39, *Financial Instruments: Recognition and Measurement*, and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- 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 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.

The Company does not expect to implement and adopt PFRS 9 (2014) until its effective date. Management does not expect this to have material impact on the Company's financial statements.

(iv) PFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management is currently assessing the impact of this standard on the Company's financial statements.

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, *Financial Instruments – Presentation.* 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 below.

(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 2016 and 2015, 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 Corp. (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)]. The latest actuarial valuation report was obtained in 2016.

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) *Distinction between Operating and Finance Leases*

The Company entered into a lease agreement in prior years. 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, the lease that was effective in 2014 was determined to be an operating lease.

(b) *Recognition of 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) Determination of 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) Estimation of 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 during such period. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above. Furniture and fixtures were fully depreciated as of December 31, 2016 and 2015.

(c) Determination of 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 2016 and 2015, 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, the net deferred tax assets were not recognized (see Note 12).

(d) Determination of 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 2016, 2015 and 2014 based on management's assessment.

(e) Estimatimation of 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 2016 and 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) Estimation of 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 2016 and 2015), which is presented as part of Other Operating Income in the 2014 statement of comprehensive income (see Note 9).

(g) Recognition of 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 2016, 2015 and 2014 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:

	2016	2015
Cash on hand and in banks	**P 575,086**	P 770,796
Short-term placements	**2,225,031**	2,200,502
	P 2,800,117	P 2,971,298

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 1.50% in 2016, 1.25% to 1.75% in 2015, and 1.75% to 3.00% in 2014. Interest income is presented as Finance Income in the statements of comprehensive income.

5. RECEIVABLES

This account is composed of the following:

	Note	**2016**	2015
Contracts receivable	13.1	**P 80,414,434**	P 83,674,508
Advances to related parties	13.2	**8,920,714**	8,741,550
Others		**29,928**	29,926
		89,365,076	92,445,984
Allowance for impairment	13.1, 13.2	**(74,672,438)**	(74,672,438)
		P 14,692,638	P 17,773,546

Contracts receivable is broken down as follows:

	2016	2015
Billed	**P 70,594,053**	P 73,651,518
Retention	**9,820,381**	10,022,990
	P 80,414,434	P 83,674,508

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 2016 and 2015, 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	2016	2015
Creditable withholding tax		**P 19,247,481**	P 19,032,138
Input VAT	20.1(b)	**445,298**	453,118
Advances to contractors and suppliers		**141,284**	122,086
Others		**254,751**	254,751
		P 20,088,814	P 19,862,093

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 2016, 2015 and 2014 are shown below.

	2016	2015	2014
Cost	**P 9,724,268**	P 9,724,268	P 9,724,268
Accumulated depreciation	**(9,547,152)**	(9,547,152)	(9,543,060)
Accumulated impairment loss	**(177,116)**	(177,116)	(177,116)
Net carrying amount	**P -**	P -	P 4,092

A reconciliation of the carrying amounts of furniture and fixtures at the beginning and end of 2016 and 2015 is shown below.

	2016	2015
Balance at beginning of the year, net of accumulated depreciation and impairment	**P -**	P 4,092
Depreciation charges	**-**	(4,092)
Balance at end of the year, net of accumulated depreciation and impairment	**P -**	P -

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

As at December 31, 2016 and 2015, 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	2016	2015
Trade payables		**P 9,851,100**	P 7,557,722
Deferred output VAT	20.1(a)	**9,093,110**	9,393,928
Advances from customers		**2,865,392**	2,865,392
Retention fees		**1,154,029**	5,843,967
Others		**123,423**	171,402
		P 23,087,054	P 25,832,411

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 2016 and 2015.

10. COST AND OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

	Notes	2016	2015	2014
Outside services		**P 10,701,295**	P 12,185,056	P 15,467,714
Professional fees		**727,269**	386,132	440,557
Salaries and employee benefits	11.1	**570,664**	790,725	845,382
Taxes and licenses	20.1(f)	**210,678**	258,007	306,523
Utilities and communication		**30,199**	36,928	73,216
Repairs and maintenance		**7,804**	10,000	27,200
Depreciation	7	**-**	4,092	8,185
Rental	16.1	**-**	-	144,000
Miscellaneous		**1,103,352**	1,184,262	1,199,618
		P 13,351,261	P 14,855,202	P 18,512,395

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:

	2016	2015	2014
Contract costs	**P 10,767,108**	P 12,256,779	P 15,724,496
Administrative expenses	**1,456,416**	1,388,187	1,504,392
Other operating expenses	**1,127,737**	1,210,236	1,283,507
	P 13,351,261	P 14,855,202	P 18,512,395

Contract costs for the years ended December 31, 2016, 2015 and 2014 consist of the following:

	Note	2016	2015	2014
Subcontractors' fee		**P 10,701,295**	P 12,185,056	P 15,467,714
Taxes and licenses	20.1(f)	**65,813**	71,723	256,782
		P 10,767,108	P 12,256,779	P 15,724,496

11. EMPLOYEE BENEFITS

11.1 Salaries and Employee Benefits Expense

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

	2016	2015	2014
Short-term employee benefits	**P 499,036**	P 767,552	P 795,157
Post-employment benefit	**71,628**	23,173	50,225
	P 570,664	P 790,725	P 845,382

As at December 31, 2016 and 2015, the Company has only one employee administering managerial function to the Company.

11.2 Post-employment Defined Benefit Plan

Starting 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. The qualified and regular employee in 2015 retired in 2016 and consequently, the obligation was paid in the same year. In 2016, the Company assumed a qualified and regular employee from an affiliate whereby the Company consequently recognized the assumption of the obligation related to its post-employment benefit under the multi-employer plan where the Company also belongs (see Note 13.2).

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 2016 and 2015 since both methods are in compliance with the projected unit credit method.

The relevant information and disclosures of the Company's post-employment benefit obligation are discussed below.

(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*

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary in 2016 and 2015.

The movements in the present value of the post-employment benefit obligation recognized in the books are as follows:

	2016	2015
Balance at beginning of year	**P 904,972**	P 645,064
Current service cost	**71,628**	23,173
Interest cost	**38,371**	23,460
Transfer from affiliate	**172,564**	-
Benefits paid	**(823,650)**	-
Remeasurements –		
Actuarial losses (gains) arising from:		
Experience adjustments	**(158,558)**	233,962
Changes in financial assumptions	**(32,763)**	(37,380)
Changes in demographic assumption	**-**	16,693
Balance at end of year	**P 172,564**	P 904,972

The components of amounts recognized in profit or loss and in other comprehensive loss in respect of the post-employment benefit obligation are as follows:

	2016	2015	2014
Recognized in profit or loss:			
Current service cost	**P 71,628**	P 23,173	P 50,225
Interest cost	**38,371**	23,460	-
	P 109,999	P 46,633	P 50,225
Recognized in other comprehensive income (loss):			
Actuarial gains (losses) arising from:			
Experience adjustments	**P 158,558**	(P 233,962)	P -
Changes in financial assumptions	**32,763**	37,380	-
Changes in demographic assumptions	**-**	(16,693)	-
	P 191,321	(P 213,275)	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 Costs under Finance Income (Costs) – Net account in the statements of comprehensive income.

In determining the post-employment benefit obligation, the following actuarial assumptions were used as at December 31, 2016 and 2015:

	2016	2015
Discount rates	**5.15%**	4.24%
Expected rate of salary increases	**5.00%**	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 17 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 post-employment 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 risks.

(i) *Interest Risk*

The present value of the post-employment 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 post-employment 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 P1,726 and P9,050 in 2016 and 2015, 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 in 2016 and 2015 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 post-employment 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, 2016 and 2015. While there is no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in about 17 years' time when the qualified employee is expected to retire. The maturity of undiscounted expected benefit payments beyond 10 years amounted to P2.2 million and P3.4 million as at December 31, 2016 and 2015, respectively.

The weighted average duration of the post-employment benefit obligation at the end of the reporting period is 17 years.

12. TAXES

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

		2016		2015		2014
Reported in profit or loss:						
Minimum corporate income tax (MCIT) at 2%	P	41,527	P	47,306	P	57,314
Final tax at 20%		6,279		6,804		6,394
	P	47,806	P	54,110	P	63,708
Reported in other comprehensive loss:						
Deferred tax expense (income) relating to remeasurements of post-employment benefit obligation:						
Origination of temporary difference	(P	57,396)	P	-	P	-
Reversal of temporary difference		57,396		-		-
	P	-	P	-	P	-

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.

		2016		2015		2014
Tax on pretax profit (loss) at 30%	(P	154,430)	(P	66,773)	P	133,646
Adjustment for income subjected to lower income tax rate	(	3,140)	(	3,402)	(	3,197)
Tax effects of:						
Changes in unrecognized deferred tax assets		226,287		264,979	(	152,780)
Expired MCIT	(	21,211)	(	141,354)		86,039
Non-deductible expenses		300		660		-
	P	47,806	P	54,110	P	63,708

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
2016	P 1,258,814	P -	P 1,258,814	2019
2015	207,762	-	207,762	2018
2013	1,971,338	(1,971,338)	-	
	P 3,437,914	**(P 1,971,338)**	**P 1,466,576**	

The unrecognized deferred tax assets relate to the following as at December 31, 2016 and 2015:

	2016		2015	
	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	1,466,576	439,973	2,179,100	653,730
Impairment of furniture and fixtures	177,116	53,135	177,116	53,135
Provisions for rework	133,033	39,910	133,033	39,910
MCIT	107,740	107,740	87,424	87,424
Post-employment benefit obligation	21,954	6,587	904,972	271,492
	P 76,578,857	P 23,049,076	P 78,154,083	P 23,507,422

As of December 31, 2015, the Company has unrecognized deferred tax asset of P0.1 million arising from the remeasurements (actuarial losses) of post-employment benefit obligation amounting to P0.2 million. In 2016, the Company recognized the deferred tax asset of P0.1 million and reversed the same amount pursuant to the remeasurements (actuarial gains) in the same year. Consequently, the remaining unrecognized deferred tax asset amounted to P6,587 as of December 31, 2016.

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 2016, 2015 and 2014 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
2016	P 41,527	P -	P 41,527	2019
2015	47,306	-	47,306	2018
2014	18,907	-	18,907	2017
2013	21,211	(21,211)	-	
	P 128,951	(P 21,211)	P 107,740	

In 2016, 2015 and 2014, 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 succeeding page.

Related Party Category	Note	Amount of Transactions 2016	2015	2014	Outstanding Balances 2016	2015
Related Parties Under Common Ownership:						
Construction services	13.1	**P 12,843,469**	P 14,622,067	P 18,590,194	**P 80,414,434**	P83,674,508
Advances from related parties	13.2	**823,650**	-	1,693,903	**9,753,050**	8,929,400
Advances to related parties	13.2	**179,164**	5,939	8,055	**8,920,714**	8,741,550
Key Management Personnel –						
Compensation	13.3	**570,664**	790,725	845,382	**172,564**	904,972

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 P12.8 million in 2016, P14.6 million in 2015 and P18.6 million in 2014, arising from these transactions with related parties are presented as Contract Revenues in the statements of comprehensive income. The related outstanding receivables amounting to P80.4 million and P83.7 million as at December 31, 2016 and 2015, 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.

	2016	2015
Balance at beginning of year	**P 83,674,508**	P 82,091,441
Contract revenues, gross of VAT	**14,384,685**	16,376,715
Collections	**(17,644,759)**	(14,793,648)
Balance at end of year	**P 80,414,434**	P 83,674,508

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, 2016 and 2015, allowance for impairment recognized on these receivables amounts P66.0 million. No impairment loss is required to be recognized in 2016, 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, 2016 and 2015) 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 are shown below.

	Note	2016	2015
Balance at beginning of year		P 8,741,550	P 8,735,611
Assumption of post-employment benefit obligation	11.2	172,564	-
Additions		6,600	5,939
Balance at end of year		8,920,714	8,741,550
Allowance for impairment		(8,707,556)	(8,707,556)
		P 213,158	P 33,994

Total outstanding advances from related parties as of December 31, 2016 and 2015 are presented as Due to Related Parties account in the statements of financial position. The movements in the account are shown below.

	2016	2015
Balance at beginning of year	P 8,929,400	P 8,929,400
Additions	823,650	-
Balance at end of year	P 9,753,050	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:

	2016	2015	2014
Post-employment benefit	P 499,036	P 23,173	P 50,225
Short-term employment benefits	71,628	767,552	795,157
	P 570,664	P 790,725	P 845,382

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 in 2016 and 2015 (see Note 16.1).

14. CAPITAL STOCK

As at December 31, 2016 and 2015, 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:

	2016	2015	2014
Net profit (loss)	**(P 562,574)**	(P 276,686)	P 381,780
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 0.005)**	(P 0.003)	P 0.003

The Company has no dilutive potential common shares as at December 31, 2016, 2015 and 2014; 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 was a lessee under a non-cancellable operating lease agreement covering its office space. The lease had a term of one year and with renewable options. Total rental incurred from this operating lease amounted to P0.1 million in 2014 (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 2016 and 2015 (see Note 13.4).

16.2 Others

There are other 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, 2016, 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.

17.1 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk which result from both its operating and investing activities. 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	**2016**	2015
Cash and cash equivalents	4	**P 2,800,117**	P 2,971,298
Receivables – net	5	**14,692,638**	17,773,546
		P 17,492,755	P 20,744,844

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.

	2016	2015
Not more than six months	P -	P 2,419,756
More than one year	10,182,364	10,003,200
	P 10,182,364	P 12,422,956

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, 2016 and 2015, the Company's financial liabilities amount to P20.9 million and P22.4 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, 2016		December 31, 2015	
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	4	P 2,800,117	P 2,800,117	P 2,971,298	P 2,971,298
Contract and other receivables – net	5	14,692,638	14,692,638	17,773,546	17,773,546
		P 17,492,755	P 17,492,755	P 20,744,844	P 20,744,844
Financial Liabilities					
At amortized cost:					
Trade and other payables	8	P 11,115,013	P 11,115,013	P 13,520,501	P 13,520,501
Due to related parties	13.2	9,753,050	9,753,050	8,929,400	8,929,400
		P 20,868,063	P 20,868,063	P 22,449,901	P 22,449,901

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, 2016 and 2015.

18.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, 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, 2016 and 2015. 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, 2016 and 2015 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 P89.3 million and P92.4 million as at December 31, 2016 and 2015, respectively, can be potentially offset by the amount of outstanding advances from related parties amounting to P9.8 million and P8.9 million as at December 31, 2016 and 2015, respectively (see Note 13.2).

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:

	2016	2015
Total liabilities	**P 33,145,700**	P 35,799,815
Total equity	**4,435,869**	4,807,122
Debt-to-equity ratio	**7.47 : 1.00**	7.45 : 1.00

20. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding pages 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 2016, the Company declared output VAT amounting to P1,865,503 based on contract revenue amounting to P15,545,855.

The Company did not have zero-rated and VAT exempt transaction in 2016.

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 2016 statement of comprehensive income.

The Company has no outstanding output VAT payable as at December 31, 2016 after application of input VAT [see Note 20.1(b)]. On the other hand, Deferred Output VAT as of December 31, 2016 is presented under Trade and Other Payables in the 2016 statement of financial position (see Note 8).

(b) Input VAT

The movements in input VAT in 2016 is summarized below.

Balance at beginning of year	P	21,513
Services lodged under cost of goods sold		1,754,037
Input VAT applied against output VAT	(	1,741,933)
Balance at end of year	**P**	**33,617**

The outstanding input VAT amounting to P33,617 and deferred input VAT amounting to P411,681 as at December 31, 2016 is presented as Input VAT under Other Current Assets account in the 2016 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, 2016.

(d) Excise Tax

The Company did not have any transactions in 2016, which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

The Company did not pay any DST in 2016.

(f) Taxes and Licenses

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

Business tax	P	203,037
Municipal license and permits		7,141
Annual VAT registration		500
	P	**210,678**

The amounts of taxes and licenses are allocated as follows:

	Note		
Contract costs		P	65,813
Other operating expenses			144,865
	10	**P**	**210,678**

(g) Withholding Taxes

The details of withholding taxes in 2016 are shown below.

Expanded	P	272,920
Compensation and benefits		72,212
	P	**345,132**

The Company has no transactions in 2016, which are subject to final withholding taxes.

(b) Deficiency Tax Assessments and Tax Cases

The Company has final deficiency tax assessments on all internal revenue taxes amounting to P7,456,962 for the taxable year 2012. As of the report date, the tax assessments are still under protest. Management believes that the Company has enough evidence to support their claim, and any outcome is not expected to result in any material impact on the Company's financial statements; hence, no provisions were recognized in the financial statements.

In 2016, the Company does not have any other 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 2016 statement of comprehensive income.

(a) Taxable Revenues

The Company's taxable revenues from rendering of services, which is subject to regular rate, amounted to P12,843,469 for the year ended December 31, 2016.

(b) Deductible Cost of Services

Deductible costs of services for the year ended December 31, 2016, which are subject to regular tax rate, comprises of the cost of construction amounting to P10,767,108.

(c) Taxable Non-operating and Other Income

The Company has no taxable non-operating other income in 2016, which is subject to regular tax rate.

(d) Itemized Deductions

The Company's itemized deductions for the year ended December 31, 2016 is as follows:

Salaries and employee benefits	P	1,322,686
Professional fees		727,269
Outside services		633,712
Subscriptions		256,914
Taxes and licenses		144,865
Seminar, training and meetings		94,257
Communication, light and water		30,199
Fuel and oil		17,500
Repairs and maintenance		7,804
Office supplies		7,152
Miscellaneous		92,817
	P	3,335,175

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

The Board of Directors and Stockholders
Supercity Realty Development Corporation
41st Floor, Joy-Nostalg Building
No. 17 ADB Avenue, Ortigas Center
Brgy., San Antonio, 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, 2016, on which we have rendered our report dated April 7, 2017. 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. 5908629, January 3, 2017, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
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 7, 2017

SUPERCITY REALTY DEVELOPMENT CORPORATION
List of Supplementary Information
December 31, 2016

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
As of December 31, 2016

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 3,897,852	P 6,600	P -	P 3,904,452	P -	P 3,904,452
Prosperity Builders Resources, Inc.	3,406,193	-	-	3,406,193	-	3,406,193
Supreme Housing Builders, Inc.	1,437,505	-	-	1,437,505	-	1,437,505
Extraordinary Development Corporation	-	172,564	-	172,564	-	172,564
Total Receivable from Related Parties	P 8,741,550	P 179,164	P -	P 8,920,714	P -	P 8,920,714

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule F. Indebtedness to Unconsolidated Subsidiary and Related Parties
As of December 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 Development Corporation	P 8,929,400	P 823,650	P -	P -	P 9,753,050	P -	P 9,753,050

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule H - Capital Stock
December 31, 2016

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 2016 and 2015	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, 2016 and 2015

Financial Soundness Indicators	Formula	2016	2015
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.14 : 1	1.16 : 1
Solvency:			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	7.47 : 1	7.45 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	8.47 : 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	-0.51%	-0.25%

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

SUPERCITY REALTY DEVELOPMENT CORPORATION

Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2016

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	✓		
	Amendments 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	✓		
	Amendments 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			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions* *(effective January 1, 2018)*			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, *Financial Instruments*, with PFRS 4, *Insurance Contracts* * *(effective January 1, 2018)*			✓
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	✓		
	Amendments 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			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* *(effective date deferred indefinitely)*			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers* *(effective January 1, 2018)*			✓
PFRS 16	Leases* *(effective January 1, 2019)*			✓
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	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative* *(effective January 1, 2017)*			✓
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	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses* *(effective January 1, 2017)*			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Bearer Plants**	✓		
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization**	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments 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			✓
	Amendments: 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			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 27 (Revised)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* *(effective date deferred indefinitely)*			✓
	Amendments to PAS 28: Investment Entities - Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendments 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			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
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**	✓		
	Amendments to PAS 39: Eligible Hedged Items**	✓		
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting**	✓		
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓
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			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
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			✓
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			✓
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 2016 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.

ANNEX C

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, 2017
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, 2017**

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 [ ]

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Financial Position
As of March 31, 2017 and December 31, 2016

	31-Mar-17	*Based on Audited FS* 31-Dec-16
ASSETS		
CURRENT ASSETS		
Cash & cash equivalents	1,673,202	2,800,117
Trade & other receivables (Note 1)	12,236,175	14,692,638
Prepayments and other current assets (Note 2)	20,273,631	20,088,814
Total current assets	**34,183,008**	**37,581,569**
TOTAL ASSETS	**34,183,008**	**37,581,569**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables (Note 3)	20,508,175	23,087,054
Due to related parties	9,753,050	9,753,050
Provision for repairs	133,032	133,032
Total current liabilities	**30,394,257**	**32,973,136**
NON-CURRENT LIABILITIES		
Retirement benefit obligation	**172,564**	**172,564**
Total Liabilities	**30,566,821**	**33,145,700**
EQUITY		
Capital stock	110,000,000	110,000,000
Additional paid-in capital	1,509,641	1,509,641
Revaluation Reserve	(21,954)	(21,954)
Retained earnings	(107,871,500)	(107,051,818)
Total equity	**3,616,187**	**4,435,869**
TOTAL LIABILITIES AND EQUITY	**34,183,008**	**37,581,569**

* December 31, 2016 figures were audited by Punongbayan & Araullo.

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Comprehensive Income
For the 3-month periods ended March 31, 2017 and 2016

Account Title	Jan - Mar 2017	Jan - Mar 2016
REVENUES	636,686	434,533
CONTRACT COSTS	549,961	409,179
GROSS PROFIT	86,725	25,355
OPERATING EXPENSES		
Administrative expenses (Note 4)	388,222	235,184
Other operating expenses (Note 5)	518,335	431,798
	906,557	666,982
OPERATING PROFIT/(LOSS)	(819,832)	(641,627)
OTHER INCOME (CHARGES)		
Other gains - net	150	130
	150	315
INCOME BEFORE TAX	(819,682)	(641,497)
TAX EXPENSE	-	-
NET INCOME	(819,682)	(641,497)
Earning (Loss) Per Share		
Net Income	(819,682)	(641,497)
Shares Outstanding	110,000,000	110,000,000
Earning (Loss) per share	(0.0075)	(0.0058)

Note 1

Trade & other receivables	**As Of 03/31/2017**	**12/31/2016**
Current:		
Contract receivable (net of impairment)	3,283,481	5,741,998
Advances to related parties	8,920,714	8,920,714
Others	31,980	29,926
	12,236,175	14,692,638

Note 2

Prepayments and other current assets	**As Of 03/31/2017**	**12/31/2016**
Creditable Withholding tax	19,247,481	19,247,481
Advances to suppliers and subcontractors	85,495	141,284
Prepaid Expenses	940,655	700,049
	20,273,631	20,088,814

Note 3

Trade and other payables	**As Of 03/31/2017**	**12/31/2016**
Deferred output valued-added taxes	9,169,512	9,093,110
Advances from customers	2,865,392	2,865,392
Retention fees	1,482,865	1,154,029
Trade payables	6,517,907	9,851,100
Other payables and accrued expenses	472,500	123,423
Total	20,508,175	23,087,054

Note 4

	For the Quarter Ending 03/31/2017	**03/31/2016**
Administrative Expenses:		
Salaries and employee benefits	91,107	173,400
Taxes and licenses	110,482	45,944
Depreciation and amortization		-
Professional fees	186,633	15,840
Rent		-
	388,222	235,184

Note 5

	For the Quarter Ending 03/31/2017	**03/31/2016**
Other Operating Expenses:		
Subscription	262,122	256,914
Contractual and service fees	142,342	139,633
Communication, Light and water	6,762	7,002
Stationery and supplies	610	50
Miscellaneous	106,500	28,199
	518,335	431,798

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Changes in Equity
For the 3-month periods ended March 31, 2017 and 2016

	Capital Stock	Additional Paid-in Capital	Revaluation Reserved	Retained Earnings(Deficit)	Total
Balance at January 1, 2017	P 110,000,000	P 1,509,641	(P21,954)	(P 107,051,818)	P 4,435,869
Net Income for the quarter	-	-	-	(819,682)	(819,682)
Balance at March 31, 2017	**P 110,000,000**	**P 1,509,641**	**(P21,954)**	**(P107,871,500)**	**P 3,616,187**
Balance at January 1, 2016	P 110,000,000	P 1,509,641	(P219,717)	(P 106,212,558)	P 5,077,366
Net Income for the quarter	-	-		(641,497)	(641,497)
Balance at March 31, 2016	P 110,000,000	P 1,509,641	(P219,717)	(P106,854,055)	P 4,435,869

SUPERCITY REALTY DEVELOPMENT CORPORATION
Statements of Cash Flows
For the 3-month periods ended March 31, 2017 and 2016

	Jan - March 2017	Jan - March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	(819,682)	(641,497)
Adjustments for:		
Depreciation and amortization	-	-
Interest income	(150)	(130)
Operating income before working capital changes	(819,832)	(641,627)
Decrease (Increase) in trade and other receivables	2,456,463	898,842
Decrease (Increase) in prepayments and other current assets	(184,817)	-
Increase (Decrease) in trade payables and other payables	(2,578,879)	(79,908)
Increase retirement benefit obligation	-	(716,217)
Cash Generated from (used in) Operations	(1,127,065)	(538,910)
Income tax expense (Cash paid for income taxes)	-	-
Net Cash From (Used in) Operating Activities	**(1,127,065)**	**(538,910)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	150	130
Net Cash From (Used in) Investing Activities	**150**	**130**
NET INCREASE (DECREASE) IN CASH	**(1,126,915)**	**(538,780)**
CASH AT BEGINNING OF YEAR	**2,800,117**	**2,971,298**
CASH AT END OF PERIOD	**1,673,202**	**2,432,518**

SUPERCITY REALTY DEVELOPMENT CORPORATION
Schedule of Aging of Accounts Receivable Trade
As of March 31, 2017

Client	Current	1 - 30 days	31 - 60 days	61 - 90 days	Overdue	Total
Verdant Point (VPC)	-				2,479,975	2,479,975
Aspiration Land Inc					205,618	205,618
Cenq	597,888			-	-	597,888
Total	597,888	-	-	-	2,685,593	3,283,481

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 2016

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, 2016:

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure Initiative*. The amendments encourage entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, they clarify 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. Moreover, the amendments clarify 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 (Amendments), *Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation*. 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 amendments also provide 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) Annual Improvements to PFRS (2012-2014 Cycle), made minor amendments to a number of PFRS. Among those improvements, only PFRS 7 (Amendment), *Financial Instruments: Disclosures – Servicing Contracts*, is relevant to the Company. 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.

(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, 2016 but are not relevant to the Company's financial statements:

PAS 16 and PAS 41 (Amendments)	:	Property, Plant and Equipment, and Agriculture – Bearer Plants
PAS 27 (Amendments)	:	Separate Financial Statements – Equity Method in Separate Financial Statements
PAS 38 (Amendments)		Intangible Assets – Clarification of Acceptable Methods of Amortization

PFRS 10, PFRS 12 and PAS 28 (Amendments) : Consolidated Financial Statements, Disclosure of Interests in Other Entities and Investments in Associates and Joint Ventures – Applying the Consolidation Exception

PFRS 11 (Amendments) : Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

PFRS 14 : Regulatory Deferral Accounts

Annual Improvements to PFRS (2012-2014 Cycle)

PAS 19 (Amendments) : Employee Benefits – Discount Rate: Regional Market Issue

PAS 34 (Amendments) : Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report"

PFRS 5 (Amendments) : Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal

PFRS 7 (Amendments) : Financial Instruments: Disclosures – Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements

(c) Effective Subsequent to 2016 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 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative* (effective from January 1, 2017). The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

(ii) PAS 12 (Amendments), *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses* (effective from January 1, 2017). The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount;
(c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference.

(iii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will 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 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.

The Company does not expect to implement and adopt PFRS 9 (2014) until its effective date. Management does not expect this to have material impact on the Company's financial statements.

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

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

4. Financial assets are classified into financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company's financial assets, which consist mainly of cash and trade receivables, are recognized on their trade date and are initially recognized at fair value, plus transaction costs.
5. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.
   Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses. Any change in their value is recognized in profit or loss. Loans and receivables are presented as Trade and Other Receivables in the balance sheets.
   Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the

receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

6. Derecognition of financial assets occurs when the rights to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

7. Construction materials are valued at the lower of cost and net realizable value. Cost of construction materials is based on purchase cost on a moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8. Property and equipment are stated at cost less accumulated depreciation, amortization and impairment in value, if any. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use.
Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

9. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

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

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

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.
An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.
The Company's property and equipment are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash generating unit.
All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

10. Investment property is stated at cost less any impairment in value. The cost of investment property comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for maintenance are charged to expense as incurred. When investment property are sold, retired or otherwise disposed of, their cost and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in income for the period.
The carrying amount of investment property is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

11. Non-Current Asset Classified as Held-for-sale include investment property that the Company intends to sell within one year from the date of classification as held-for-sale.
    Non-current asset classified as held-for-sale is measured at the lower of its carrying amount, immediately prior to the classification as held-for-sale, and its fair value less costs to sell. The profit or loss arising from the sale or revaluation of held-for-sale assets is recognized in the income statement.

12. Financial liabilities include bank loans and trade and other payables. Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognized as an expense in the statement of income under the caption Finance Costs.
    Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.
    Financial liabilities are derecognized from the balance sheet only when the obligations are extinguished either through discharge, cancellation or expiration.

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

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

    Cost and expenses are recognized in the statement of income upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.
14. Leases. Company as lessee – Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.
    Company as lessor – Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized as income in the statement of income on a straight-line basis over the lease term. Indirect costs incurred by the lessor in negotiating and arranging for an operating lease is added to the carrying amount of the leased asset and recognized as expense over the lease term.

15. *Retirement Benefit Obligations*
    The Company has not established a formal retirement plan. However, it recognizes the estimated defined benefit obligations (under Republic Act No. 7641, the "Retirement Act") using the Projected Unit Credit Method as computed by an actuary.
    A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's defined benefit pension plan covers all regular full-time employees.
    The liability recognized in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are not recognized as an expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past-service costs are recognized immediately in the statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

16. Income Taxes. Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of income.
    Deferred tax is provided, using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.
    The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets can be utilized.
    Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity

17. Equity. Capital stock is determined using the nominal value of shares that have been issued.
    Additional paid-in capital includes any premiums received on the initial issuing of capital stock. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.
    Retained earnings include all current and prior period results as disclosed in the statements of income

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

For the past few years, the Company's construction activities are sluggish during the first (1st) quarter. It peaks starting on the summer months, that is, during the second (2nd) to the third (3rd) quarter of the year. There are instances, however, when the Company is still active in its construction projects during the last quarter of the year especially when the Developers accumulate their inventory in time for the influx of buyers in December. However, for the first quarter of the current year, the Company generated lower revenue since there are few subsisting contracts for the year 2017.

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, 2017, 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, 2017 that have not been reflected in the financial statements for the three (3)-month period covered January to March 31, 2017.

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, 2016.

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, 2017.

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, 2017

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.	3,904,452	-	-	3,904,452	-	3,904,452
Prosperity Builders Resources	3,406,193	-	-	3,406,193	-	3,406,193
	172.564			172,654		172,654
Supreme Housing	1,437.505			1,437,505		
Builders	1,417,505	-	-	1,417,505	-	1,437,505
Total	8,920,714	-	-	8,920,714	-	8,920,714

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, 2017

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
Prosperity Builders	39,245				39,245		39,245

Extraordinary Dev. Corp.	8,890,155	-	-		8,890,155		8,890,155
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, 2017

				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	3/31/2017	12/31/2016
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.12 : 1	1.14 : 1
Solvency:			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	8.45 : 1	7.47 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	9:45 : 1	8.47 : 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	-0.75%	-0.51%

*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 34.18M as of March 31, 2017, 9.04% lower than the December 31, 2016 figure of P 37.51M. 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, 2016 were fully depreciated. The Company employs subcontractors that can provide the necessary equipment.

Total Liabilities

The Company's total liabilities as of March 31, 2017, amounted to P 30.57M, a 7.78% decrease as compared to the December 31, 2016 balance of P 33.15M. The decrease was primarily brought by the decrease in trade and other payable accounts.

Liquidity

The Company posted a current ratio of 1.12:1 as of March 31, 2017, a little lower than the 1.14:1 current ratio as of December 31, 2016. 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, 2017, was determined to be 8.45:1 higher than the 7.47:1 ratio as of December 31, 2016. 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 2017Q1 amounted to P 0.64M, 47% higher than the P 0.43M in 2016Q1. The increase can be attributed to the newly awarded contract in 2017. Moreover, contract revenues for the 2017Q1 were generated from the Housing project in Tierra Verde Residences Phase I located in Carmona, Cavite.

Gross Profit

Gross profit from construction contracts increased by 242% from P 25K in 2016Q1 to P 87K in 2017Q1. On the other hand, gross profit ratio increase from 6% to 14%. Thus, resulted to higher gross profit in 2017Q1.

Cost and Expenses

Costs and expenses for 2017Q1 amounted to P 1.46M, 35% higher than the P 1.08M in 2016Q1. Cost of services decreased by 34% from P 0.41M in 2016Q1 to P 0.55M in 2017Q1. The increase was primarily brought about by the increase in revenue generated in 2017Q1 since most of these costs are variable in nature.

For the total operating expenses, 2017Q1 amounted to 0.91M, 35.92% higher than the 2016Q1 of 0.67M. The minimal increase was primarily brought about by the increase in taxes and licenses, subscription and supplies incurred for the given quarter in 2017.

Operating Profit (Loss)

As a result of the foregoing, operating profit (loss) in 2017Q1 amounted to (P 0.82M) from (P 0.64M) in 2016Q1. Correspondingly, operating margin (loss) ratio decreased from (148%) in 2016Q1 to (128%) in 2017Q1. The decrease can be attributed to the higher revenue generated by the Company in 2017Q1 as discussed under revenue above.

Other Income / Charges

No financing costs incurred in 2016Q1 and in 2017Q1 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 2017Q1, net loss increased from P 0.64M in 2016Q1 to P 0.82M in 2017Q1. This likewise resulted to the decrease of net loss ratio of 148% in 2016Q1 to 128% in 2017Q1. Finally, this translated into earnings (loss) per share of (P0.0075) in 2017Q1 from P0.0058 in 2016Q1.

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 2017Q1, the Company posted an ROI of (0.75%) compared to the 2016Q1 ROI of (0.58%). 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.
However, in 2016Q1 and 2017Q1, 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, 2017 was computed at 1.12:1 lower than the 1.14:1 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, 2017 was determined to be 8.45:1 slightly higher than the 7.47:1 times as of December 31, 2016. The increase was brought about by the net loss incurred during the 2017Q1 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 2017, 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-17	31-Dec-16	**Inc/(Dec)** Amount	%	**Remarks**
Cash	1,673,202	2,800,117	(1,126,915)	-40%	Decrease due to payment of operating expenses and trade payables accounts
Trade and other receivables	12,236,175	14,692,638	(2,456,463)	-17%	The decrease was brought about by the decrease in accounts receivable trade. Some overdue accounts were collected.
Total Assets	34,183,008	37,581,569	(3,398,561)	-9%	The decrease was brought about by the decrease in cash equivalents and accounts receivable trade accounts
Trade and other payable	20,508,175	23,087,054	(2,578,879)	-11%	The decrease pertains to the payment of accounts payable trade.
Total Liabilities	30,566,821	33,145,700	(2,578,879)	-8%	The decrease pertains reduction of accounts payable trade for subcontractors for their overdue accounts
Total Equity	3,616,187	4,435,869	(819,682)	-18%	The decrease pertains to net loss incurred for the given period.

Income Statement Items:

Account Title	**For the Quarter Ending** 03/31/17	03/31/16	**Inc/(Dec)** Amount	%	**Remarks**
Revenues	636,686	434,533	202,152	47%	Higher revenue were generated for 2017Q1 due to newly awarded contracts in 2017 were started in March, 2017.
Contract Cost	549,961	409,179	140,782	34%	The increase is caused by higher construction activities as reflected in the above revenue item since this item is variable in nature
Gross profit	86,725	25,355	61,370	242%	Increase due to increase in revenue as described above
Administrative Expenses	388,222	235,184	153,038	65%	The increase in 2017Q1 was due to the increase in taxes and licenses, office supplies and other expenses.
Other operating expenses	518,335	431,798	86,537	20%	The increase was brought about by the Subscription and Contractual fees accounts
Operating Profit/(Loss)	(819,832)	(641,627)	178,205	-28%	Operating loss increased due to higher administrative and other operating expenses as explained above
Income (loss) before tax	(819,682)	(641,497)	(178,185)	28%	Incurred net loss in 2017Q1 due to increase in administrative and operating expenses
Net Income	(819,682)	(641,497)	(178,185)	28%	Incurred net loss in 2017Q1 due to higher administrative and operative expenses as explained 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, 2017