SUNTRUST HOME DEVELOPERS, INC.

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 **30 September 2011**

2. SEC Identification Number: **10683** 3. BIR Tax Identification Number: **000-141-166**

4. **SUNTRUST HOME DEVELOPERS, INC.**
Exact name of issuer as specified in its charter

5. **Metro Manila**
Province, Country, or other jurisdiction of incorporation or organization

6. (SEC Use Only)

Industry Classification Code:

7. **6/F The World Centre, 330 Sen. Gil Puyat Avenue, Makati City 1227**
Address of issuer's principal office

8. **(632) 867-8826 to 40**
Issuer's Telephone Number, including area code

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

TITLE OF EACH CLASS	NUMBER OF SHARES OF COMMON STOCK OUTSTANDING
Common	2,250,000,000

10. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [*] No [ ]

Philippine Stock Exchange **Common Shares**

11. Indicate by check mark whether the registrant:

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

Yes [*] No [ ]

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

Yes [*] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

1. Statements of Financial Position (Exhibit 1)
2. Statements of Income (Exhibit 2)
3. Statements of Changes in Equity (Exhibit 3)
4. Statements of Cash Flows (Exhibit 4)
5. Notes to Financial Statements (Exhibit 5)

Item 2. Management's Discussions and Analysis of Financial Condition and Results of Operations

Please see Exhibit 6

Item 3. Aging of Accounts Receivable

Please see attached hereto as Exhibit 7.

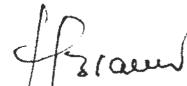
PART II – OTHER INFORMATION

The Company is not in possession of any information which may, at its option, be reported under this item and which would otherwise be required to be filed in a report on SEC Form 17-C

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.

SUNTRUST HOME DEVELOPERS, INC.
Issuer

By: 

EVELYN G. CACHO
Treasurer (Principal Officer)
and Duly Authorized Officer
November 14, 2011

EXHIBIT 1

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
(Amounts in Philippine Pesos)

	Unaudited *(Consolidated)* September 30, 2011	*Audited* *(Company only)* December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**41,190,323**	2,523,456
Trade and other receivables	**82,570,549**	-
Prepayments & Other Current Assets	**12,984,687**	5,178,307
Total Current Assets	**136,745,559**	7,701,763
NON-CURRENT ASSETS		
Investment in an Associate	**-**	95,510,473
Non-marketable Equity Securities	**97,181,433**	-
Advances to related parties	**20,101,680**	-
Property and equipment - net	**13,025,234**	-
Investment Property - net	**470,622,191**	471,551,742
Other Non-current Assets	**11,449,093**	-
Total Non-current Assets	**612,379,631**	567,062,215
TOTAL ASSETS	**749,125,190**	574,763,978
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	**67,348,745**	26,647,449
Interest-bearing loans	**2,811,764**	-
Provision	**436,848,488**	436,848,488
Total Liabilities	**507,008,997**	463,495,937
NON-CURRENT LIABILITIES		
Interest-bearing loans	**104,062**	-
Advances from related parties	**87,444,937**	338,598
Retirement benefit obligation	**36,244,464**	-
	123,793,463	338,598
EQUITY		
Capital Stock	**2,062,500,000**	2,062,500,000
Deficit	**(1,944,177,270)**	(1,951,570,557)
Total Equity	**118,322,730**	110,929,443
TOTAL LIABILITIES AND EQUITY	**749,125,190**	574,763,978

See Notes to Financial Statements.

EXHIBIT 2

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(Amounts in Philippine Pesos)

	2011		2010	
	Unaudited (Consolidated) July 1 - Sep 30	***Unaudited (Consolidated) Jan 1 - Sep 30***	*Unaudited (Company only)* July 1 - Sep 30	*Unaudited (Company only)* Jan 1 - Sep 30
REVENUES				
Management Fees	**105,662,506**	**105,662,506**	-	-
Income from acquisition of subsidiary	**5,936,592**	**5,936,592**	-	-
Equity share in net earnings of an associate	**-**	**1,670,960**	1,835,341	2,277,802
Rental Income	**311,245**	**1,066,962**	439,992	1,476,853
Others	**5,153,100**	**5,187,223**	543	1,139
	117,063,443	**119,524,243**	2,275,876	3,755,794
COSTS AND EXPENSES				
Cost of services	**94,892,512**	**94,892,512**	-	-
Cost of rentals	**309,851**	**929,552**	472,930	1,418,789
Administrative expenses	**9,298,484**	**10,012,068**	391,440	908,782
Other operating expenses	**5,400,108**	**5,400,108**	-	-
Income tax expense	**731,680**	**738,505**	109	228
	110,632,635	**111,972,745**	864,479	2,327,799
NET INCOME BEFORE PREACQUISITION INCOME	**6,430,808**	**7,551,498**	1,411,397	1,427,995
PREACQUISITION INCOME	**158,211**	**158,211**	-	-
NET INCOME	**6,272,597**	**7,393,287**	1,411,397	1,427,995
EARNINGS PER SHARE		**P 0.00329**		P 0.00063

See Notes to Financial Statements.

EXHIBIT 3

SUNTRUST HOME DEVELOPERS INC.
STATEMENTS OF CHANGES IN EQUITY
SEPTEMBER 30, 2011 AND 2010

	Unaudited September 30, 2011	Unaudited September 30, 2010
CAPITAL STOCK - P1.00 par value		
Authorized to issue 3,000,000,000 shares	**2,062,500,000**	2,062,500,000
DEFICIT		
Balance, beginning of year	**(1,951,570,557)**	(1,956,320,485)
Net profit (loss) for the year	**7,393,287**	1,427,995
Balance at end of year	**(1,944,177,270)**	(1,954,892,490)
TOTAL EQUITY	**118,322,730**	107,607,510

-See Notes to Financial Statements-

EXHIBIT 4

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	Unaudited September 30, 2011	Unaudited September 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	**8,131,792**	1,428,223
Adjustments for:		
Depreciation	**3,425,083**	1,418,789
Equity share in net earnings of an associate	**(1,670,960)**	(2,277,802)
Interest Income	**(1,123,038)**	(1,139)
Operating Loss before working capital changes	**8,762,877**	568,071
Increase in trade and other receivables	**(82,570,549)**	
Increase in prepayments and other current assets	**(7,806,380)**	86,705
Increase in other non-current assets	**(11,449,093)**	-
Increase in trade & other payables	**40,701,296**	(610,653)
Increase in retirement benefit obligations	**36,244,464**	-
Cash generated from (used in) operations	**(16,117,385)**	44,123
Cash paid for taxes	**(738,505)**	(228)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	**(16,855,890)**	43,895
CASH FLOWS FROM INVESTING ACTIVITIES	**(34,499,408)**	903,654
CASH FLOWS FROM FINANCING ACTIVITIES	**90,022,165**	-
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**38,666,867**	947,549
CASH & CASH EQUIVALENTS - BEGINNING	**2,523,456**	111,847
CASH & CASH EQUIVALENTS - ENDING	**41,190,323**	1,059,396

-See Notes to Financial Statements-

EXHIBIT 5

SUNTRUST HOME DEVELOPERS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Suntrust Home Developers, Inc. (the Company) was incorporated in the Philippines to primarily engage in real estate development. The Company is a publicly listed entity in the Philippine Stock Exchange.

In September 9, 2011, the company acquired 100% ownership interest in First Oceanic Property Management, Inc. ("FOPMI" or the Subsidiary). The subsidiary is engaged primarily in the management of real estate properties. Both the company and the Subsidiary were incorporated and domiciled in the Philippines.+

As of September 30, 2011 and December 31, 2010, Megaworld Corporation (Megaworld), also a publicly listed Company, is the major stockholder with 42.48% ownership interest in the Company. The Company's administrative functions are being handled by Megaworld.

The registered office of the Company, which is also its principal place of business, is located at the 6th Floor, The World Centre Building, 330 Sen. Gil Puyat Avenue, Makati City. The registered office of FOPMI is located at the 7th Floor, Paseo Center, 8757 Paseo de Roxas corner Sedeño St., Makati City.

The financial statements have been prepared on a going concern basis since Megaworld commits to provide continuing financial support for its operating expenses until such time that the Company is able to successfully re-start its commercial operations as a real estate developer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized in the succeeding paragraphs. The policies have been consistently applied to all periods 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.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, 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 (Revised 2007), *Presentation of Financial Statements.* The Company presents all items of income and expense in the statement of income. Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items on its financial statements, or reclassifies items in the financial statements.

(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, the currency of the primary economic environment in which the entity operates.

2.2 Adoption of New Interpretations, Revisions and Amendments to PFRS

(a) Effective in 2011 that are Relevant to the Company

There are new PFRS, revisions, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2010. Management has initially determined the following pronouncements, which the Company will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) Philippine Interpretation IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* (effective on or after July 1, 2010). It addresses accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. These transactions are sometimes referred to as "debt for equity" exchanges or swaps, and have happened with increased regularity during the financial crisis. The interpretation requires the debtor to account for a financial liability which is extinguished by equity instruments as follows:

- the issue of equity instruments to a creditor to extinguish all (or part of a financial liability) is consideration paid in accordance with PAS 39;

- the entity measures the equity instruments issued at fair value, unless this cannot be reliably measured;

- if the fair value of the equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished is used; and,

- the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.

Management has determined that the adoption of the interpretation will not have a material effect on it financial statements as management does not anticipate to extinguish financial liabilities through equity swap in the subsequent periods.

(ii) 2010 Annual Improvements to PFRS. The FRSC has adopted the *Improvements to Philippine Financial Reporting Standards 2010* (the 2010 Improvements). Most of these amendments became effective for annual periods beginning on or after July 1, 2010, or January 1, 2011. The 2010 Improvements amend certain provisions of PFRS 3 (Revised 2008), clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The Company's preliminary assessments indicate that the 2010 Improvements will not have a material impact on its financial statements.

(b) Effective Subsequent to 2011

(i) PFRS 7 (Amendment), *Financial Instruments: Disclosures* (effective for annual periods beginning on or after July 1, 2011). The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g., securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken at the end of a reporting period. The Company believes that adoption of the amendments in 2012 will not have any significant effect on its financial statements as they only affect disclosures and the Company usually provides adequate information in its financial statements in compliance with disclosure requirements.

(ii) PFRS 9, *Financial Instruments* (effective from January 1, 2013). PAS 39 will be replaced by PFRS 9 in its entirety which is being issued in phases. The main phases are (with a separate project dealing with derecognition):

Phase 1: Classification and Measurement
Phase 2: Impairment Methodology
Phase 3: Hedge Accounting

To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning January 1, 2013. Other chapters dealing with impairment methodology and hedge accounting are still being finalized.

Management is yet to assess the impact that this amendment is likely to have on the financial statements of the Company. However, it does not expect to implement the amendments until all chapters of PFRS 9 have been published at which time the Company expects it can comprehensively assess the impact of the revised standard.

2.3 Basis of Consolidation (for the 3rd Quarter 2011 Consolidated Financial Statements)

The consolidated financial statements for 3rd Quarter 2011 comprised the accounts of the Company and its 100% owned subsidiary, FOPMI. The 2010 financial statements of the Company do not include the accounts of FOPMI since the Company has no control yet over FOPMI.

The financial statements of the Subsidiary are prepared for the same reporting period as the Company, using consistent accounting principles.

A subsidiary is an entity over which the Company has the power to control the financial and operating policies. The Company obtains and exercises control through voting rights.
A subsidiary is consolidated from the date the company obtains control until such time that such control ceases.

An acquired subsidiary is subject to the application of the purchase method for acquisitions. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Company accounting policies.

2.4 Investment in an Associate

An associate is an entity over which the Company is able to exert significant influence but which is neither a subsidiary nor an interest in a joint venture. Investment in an associate is initially recognized at cost and subsequently accounted for using the equity method.

Changes resulting from the profit or loss generated by the associate are shown as Equity in Net Earnings (Losses) of an Associate in the Company's statement of income and therefore affect the net results of the Company. Changes resulting from other comprehensive income of the associate or items recognized directly in the associate's equity are recognized in other comprehensive income or equity of the Company, as applicable.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has commitments, has incurred obligations or made payments on behalf of the associate.

2.5 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss, 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 fair value through profit or loss are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

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 end of 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. Any change in their value is recognized in profit or loss. 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 cash flows.

Non-compounding interest, dividend 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.

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.

2.6 Investment Property

Investment property consists of condominium units and land held for capital appreciation. Condominium units are stated at cost, less accumulated depreciation and any accumulated impairment losses, while land is stated at cost less accumulated impairment losses, if any. Depreciation of condominium units is computed on a straight-line basis over the estimated useful life of 30 years (see Note 3.2). 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 2.10).

Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement disposal.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal.

2.7 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

The cost of an asset compromises its purchases 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, amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

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

Transportation equipment	5 years
Office and communication	3 years
Office furniture and fixtures	3 years

Leasehold improvements are amortized over their estimated useful life of three years or the term of lease, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 profit or loss in the year the item is derecognized.

2.8 Financial Liabilities

Financial liabilities include trade and other payables and advances from related parties.

Financial liabilities are recognized when the entity becomes a party to the contractual terms of the instrument. All interest-related charges are recognized as an expense under the caption Finance Costs in the statement of income.

Trade and other payables and advances from related parties are recognized initially at their fair value and subsequently measured at amortized cost.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

2.9 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 commitment 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. 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.

2.10 Revenue and Expense Recognition

Revenue comprises revenue from the rental of investment property measured by reference to the fair value of consideration received or receivable by the Company, excluding value-added tax (VAT).

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 following specific recognition criteria must also be met before revenue is recognized:

(a) *Rental income* – Revenue is recognized on a straight-line basis over the duration of the lease term.

(b) *Interest* – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

(c) *Management fees* – Revenue is recognized when the performance of contractually agreed tasks have been substantially rendered.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred.

2.11 Leases

(a) Company as Lessee

Leases which do not transfer to the lessee 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 comprehensive income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(b) Company as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The Group 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 investment in an associate and investment property is subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
Impairment loss is recognized for the amount by which the assets 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 evaluation of discounted cash flow.

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

Post-employment benefits are provided to employees through a 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 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 post-employment defined benefit pension plan covers all regular full-time employees.

The liability recognized in the statement of financial position for post-employment defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the end of the reporting period 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 the 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 post-employment liability.

Actuarial gains and losses are not recognized as an income or 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 profit or loss, unless the changes to the post-employment 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.

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 provided, 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 income tax asset can be utilized.

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.

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 provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

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.

2.15 Related Party 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 in making financial and operating decisions. This includes: (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.

Subscription receivable represents the unpaid portion of the subscribed capital stock due from stockholders.

Deficit includes all current and prior period results of operations as disclosed in the statement of income.

2.17 Earnings or Loss Per Share

Basic earnings or loss per share is computed by dividing net income or loss by the weighted average number of common shares subscribed and issued during the year adjusted retroactively for any stock dividend, stock split or reverse stock split declared in the current year, if any.

Diluted earnings or loss per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. The Company does not have dilutive potential shares outstanding, thus, dilutive earnings per share is equal to the basic earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect 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 Investment Properties and Owner-managed Properties

The Company determines whether a property qualifies as investment property. In making its judgment, the entity considers whether the property generates 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.

(b) Operating and Finance Leases

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each 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.

(c) Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on provisions and contingencies are discussed in Note 2.9 and relevant disclosures are presented in Note 5.

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 financial year:

(a) Useful Life of Property and Equipment and Investment Property

The Company estimates the useful life of its condominium units based on the period over which the assets are expected to be available for use. The estimated useful life of these assets 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.

In 2010, the Company reviewed the estimated useful life of its investment properties. As a result, the estimated useful life of its investment properties was extended from 20 years to 30 years which management believes is a more reasonable estimation of the period over which the investment properties

are expected to be available for use, based on management's collective assessment of industry practice, technical evaluation and experience with similar assets as at December 31, 2010. The effect of this change in accounting estimate, recognized in profit or loss prospectively, decreased the amount of annual depreciation charges in 2010 and subsequent years by P0.7 million.

(b) Impairment of Non-financial Assets

The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.10. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements 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. Based on management's assessment, there were no impairment losses as of the end of the reporting periods.

4. INVESTMENT IN AN ASSOCIATE

In 2008, SPI increased its authorized capital stock from 200 million shares to 500 million shares. Out of this increase, 262.5 million shares of stock at P1 par value were subscribed and paid-up by another related party. The Company did not exercise its right of pre-emption with regard to the increase in SPI's authorized capital stock resulting in the decrease in its ownership interest in SPI from 60% to 20%. This resulted in a loss on dilution of ownership interest in SPI amounting to P51.1 million, which is included as part of Loss on Dilution of Interest in a Subsidiary account in the 2008 statement of income. Because of this, the accounts of SPI were deconsolidated from the Company's financial statements in 2008 and the investment was reclassified to the Investment in an Associate account. The Company's investment in SPI is then accounted for using the equity method.

Subsequent to this transaction, an impairment loss amounting to P20.2 million was recognized which was estimated based on the amount paid by the buyer of SPI's shares as fair value reference which is lower than the remaining carrying value of the investment in SPI.

On March 25, 2011, the SEC approved SPI's application for the increase in its capital stock, in which MC was the only subscriber to the new SPI shares. MC infused P562.1 million into SPI thereby increasing SPI's subscribed capital stock from P399.75 million to P955.81 million. As a result of the SPI's issuance of additional common shares, the Company's ownership in SPI decreased from 20% to 8%. The company's investment in SPI is now accounted for as a Non-Marketable Securities.

5. COMMITMENTS AND CONTINGENCIES

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

6. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of 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 financial risks to which the Company is exposed to are described as follow:

6.1 Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. Generally, 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 under Cash and Advances to Officers and Employees in the statement of financial position.

The Company is also exposed to credit risk to the extent of financial guarantee provided in a prior year to a co-venturer.

None of the financial assets are secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

6.2 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring 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. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities.

As at September 30, 2011 and December 31, 2010, the Company's trade and other payables amounting to P67.35 million and P26.65 million, respectively, have contractual maturities of within six months after the end of the reporting period. These contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

7. 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; and,
- To provide an adequate return to shareholders in the future.

The Company does not have direct outside borrowings; hence, it is not subject to externally imposed capital requirements. The Company also monitors capital on the basis of the carrying amount of equity as presented on the statement of financial position. It sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets

EXHIBIT 6

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On September 9, 2011, the company acquired 100% ownership interest in First Oceanic Property Management, Inc. ("FOPMI or the subsidiary). The subsidiary is engaged in the management of residential and office condominiums and private estates. Acquisition of the subsidiary results to major increases on the Group's consolidated results of operation and financial condition as follows:

2011 vs. 2010

RESULTS OF OPERATION

Nine months ended September 30, 2011 compared to
Nine months ended September 30, 2010

The Group's total revenues exhibited an increase of 115.77 million or 3082.40% from 3.76 million in 2010 to 119.52 million in 2011 of the same period. Total revenues mostly came from management fees and income from acquisition of subsidiary.

Cost and expenses increased by 109.64 million or 4,710.24% from 2.33 million in 2010 to 111.97 million in 2011.

The Group's net income shows an increase of 5.97 million or 417.74% from 1.43 million in 2010 to 7.39 million in 2011.

FINANCIAL CONDITION

As of September 30, 2011 and December 31, 2010

Current assets increased by 129.04 million or 1675.51% from 7.70 million in 2010 to 136.74 million in 2011. Cash & Cash Equivalents increased by 38.67 million or 1532.30% from 2.52 million in 2010 to 41.19 million in 2011. Trade and other Receivables increased by 82.57 million or 100% from 2010. Prepayments and other current assets increased by 7.81 million or 150.75% from 5.18 million in 2010 to 12.98 million in 2011.

Non-Marketable Equity Securities increased by 97.18 million or 100% while Investment in an associate decreased by 95.51 million or 100% due to dilution of ownership with an associate from 20% to 8% that resulted to reclassification of these accounts. Advances to related parties increased by 20.10 million or 100% from 2010. Investment property decreased by 929.55 thousand from 471.55 million in 2010 to 470.62 million in 2011 due to its depreciation as of the current period. Property and equipment and other non-current assets both increased by 13.03 million and 11.45 million, respectively, or 100% increased from 2010.

Trade & Other Payables exhibited an increase of 40.70 million from 26.65 million in 2010 to 67.35 million in 2011. Interest-bearing loans increased by 2.92 million or 100% from 2010. Advances from related parties increased by 87.11 million or 25725.59% from 338.60 thousand in 2010 to 87.44 million in 2011. Retirement benefit obligation increased by 36.24 million or 100% from 2010.

Material Changes in the Financial Statement Items:
Increase/(Decrease) of 5% or more versus 2010

As discussed earlier, as of September 9, 2011, the company had acquired 100% ownership interest in a subsidiary which resulted to major increases on the Group's consolidated results of operation and financial condition.

KEY PERFORMANCE INDICATORS

Presented below are the top five (5) key performance indicators of the Group:

- *Revenue Growth* – The Group generated its revenue mostly from management fees and income from acquisition of subsidiary. The group's revenues showed an increase of P115.77 million or 3802.40% to P119.52 million in 2011 from P3.76 million in 2010.
- *Net Income Growth* – measures the percentage change in net income over a designated period of time. The group's net income recorded a 417.74% increase from P1.43 million net income in 2010 to P7.39 million net income in 2011.
- *Increase in Cash and Cash Equivalents*– cash and cash equivalents increased by 38.67 million or 1,532.30% from 2.52 million in 2010 to 41.19% in 2011. This is attributable to timely collection of receivable.
- *Increase in Trade Receivables* – Total trade receivables increased by 82.57 million or 100% from 2010. Increase is due to consolidation of recently acquired subsidiary that has continuous flows of revenues in the form of administrative fees.
- *Increase in Total Assets* – Total assets increased by 30.34% from 574.76 million in 2010 to 749.13 million in 2011. Considerable increase is due to consolidation of recently acquired subsidiary. The company is continuing to invest by acquiring companies that will create new revenue streams for its growth in the coming years.

There are no other significant changes in the Company's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way.

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company has no unusual nature of transactions or events that affects assets, liabilities, equity, net income or cash flows.

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

There are no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

There are no changes in estimates of amount reported in periods of the current financial year or changes in estimates of amounts reported in prior financial years.

EXHIBIT 7

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
Aging of Accounts Receivable
September 30, 2011

1. Aging of Accounts Receivable

Type of Receivables	TOTAL	CURRENT/ NOT YET DUE	1 Month	2-3 Months	4-6 Months	7 Months to 1 Year	1-2 Years	3-5 Years	5 Years Above	Past Due Accounts and Items in Litigation
Trade Receivables	82,570,549	60,348,545	5,638,822	5,760,814	10,822,368					
Non-Trade Receivables		-			-					
	82,570,549	60,348,545	5,638,822	5,760,814	10,822,368					

2. Accounts Receivable Description

Type of Receivables	Nature/Description	Collection Period
Trade Receivables	Management Fees	1 to 3 years
Non-Trade Receivables		