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 2012**

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

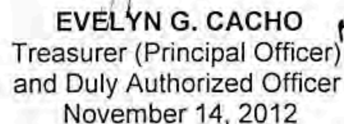
The Company is not in possession of any information which may, at its option, be reported under this item and which would otherwise be required to be filed in a report on SEC Form 17-C

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:



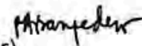
EVELYN G. CACHO 
Treasurer (Principal Officer)
and Duly Authorized Officer
November 14, 2012

EXHIBIT 1

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2012 AND DECEMBER 31, 2011
(Amounts in Philippine Pesos)

		Unaudited September 30, 2012		Audited December 31, 2011
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents		**58,669,301**	P	44,705,688
Trade and other receivables - net		**89,752,803**		74,214,856
Due from related parties - net		**34,649,127**		32,852,266
Other current assets		**11,838,101**		10,521,923
Total Current Assets		**194,909,332**		162,294,733
NON-CURRENT ASSETS				
Trade and other receivables		**8,253,264**	P	8,253,264
Available for sale financial asset		**97,181,433**		97,181,433
Investment property -net		**32,534,301**		33,463,852
Property and equipment - net		**11,711,252**		13,647,022
Deferred tax assets		**15,963,550**		15,963,550
Other non-current assets - net		**3,435,397**		3,674,094
Total Non-current Assets		**169,079,197**		172,183,215
TOTAL ASSETS	**P**	**363,988,529**	P	334,477,948
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans	**P**	**286,551**	P	990,466
Trade and other payables		**64,881,867**		54,389,661
Due to related parties		**116,562,581**		115,032,120
Income tax payable		**2,960,588**		570,321
Total Current Liabilities		**184,691,587**		170,982,568
NON-CURRENT LIABILITIES				
Interest-bearing loans		**740,878**		994,506
Retirement benefit obligation		**55,633,852**		45,133,852
Total Non-current Liabilities		**56,374,730**		46,128,358
Total Liabilities		**241,066,317**		217,110,926
EQUITY				
Capital stock		**2,062,500,000**		2,062,500,000
Deficit		**(1,939,577,788)**		(1,945,132,978)
Total Equity		**122,922,212**		117,367,022
TOTAL LIABILITIES AND EQUITY		**363,988,529**	P	334,477,948

EXHIBIT 2

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2012 AND 2011
(Amounts in Philippine Pesos)

	2012		2011	
	Unaudited Jul 1 - Sep 30	*Unaudited* Jan 1 - Sep 30	*Unaudited* Jul 1 - Sep 30	*Unaudited* Jan 1 - Sep 30
REVENUES				
Management fees	P 41,363,270	P 127,631,643	P 105,662,506	P 105,662,506
Rental income	527,924	6,869,374	311,245	1,066,962
Service income	1,870,882	6,926,074	3,841,990	3,841,990
Finance income	570,252	1,467,866	1,088,915	1,123,038
Equity in net earnings of an associate	-	-		1,670,960
Income from acquisition of subsidiary	-	-	5,936,592	5,936,592
Others	61,773	91,394	222,195	222,195
	44,394,101	142,986,351	117,063,443	119,524,243
COST AND EXPENSES				
Cost of services	40,375,340	122,810,522	100,602,471	101,222,172
Operating expenses	3,323,388	11,394,130	9,161,118	9,874,702
Finance costs	22,223	91,685	137,366	137,366
Tax expense	496,288	3,134,824	731,680	738,505
	44,217,239	137,431,161	110,632,635	111,972,745
NET INCOME BEFORE PREACQUISITION INCOME	176,862	5,555,190	6,430,808	7,551,498
PREACQUISITION INCOME	-	-	(158,211)	(158,211)
NET PROFIT	P 176,862	P 5,555,190	P 6,272,597	P 7,393,287
Earnings per share				
Basic and Diluted		P 0.0025		P 0.0033

EXHIBIT 3

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2012 AND 2011
(Amounts in Philippine Pesos)

	Unaudited September 30, 2012	*Unaudited* September 30, 2011
CAPITAL STOCK - P1 par value		
Authorized - 3 billion shares	**2,062,500,000**	2,062,500,000
DEFICIT		
Balance at beginning of year	**(1,945,132,978)**	(1,951,570,557)
Net profit for the period	**5,555,190**	7,393,287
Balance at end of the period	**(1,939,577,788)**	(1,944,177,270)
TOTAL EQUITY	**P 122,922,212**	P 118,322,730

EXHIBIT 4

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012 AND 2011
(Amounts in Philippine Pesos)

	***Unaudited* September 30, 2012**	*Unaudited* September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 8,690,014	P 8,131,792
Adjustments for:		
Depreciation and amortization	**7,635,823**	3,425,083
Equity share in net earnings of an associate	**-**	(1,670,960)
Finance income	**(1,467,866)**	(1,123,038)
Finance costs	**91,685**	137,366
Operating profit before working capital changes	**14,949,656**	8,900,243
Increase in trade and other receivables	**(15,537,947)**	(82,570,549)
Increase in other current assets	**(1,316,178)**	(7,806,380)
Increase in other non-current assets	**-**	(11,449,093)
Increase in trade and other payables	**10,492,206**	40,701,296
Increase in retirement benefit obligation	**10,500,000**	36,244,464
Cash generated from operations	**19,087,737**	(15,980,019)
Cash paid for taxes	**(744,557)**	(738,505)
Net Cash From (Used In) Operating Activities	**18,343,180**	(16,718,524)
CASH FLOWS FROM INVESTING ACTIVITIES	(4,860,800)	(34,499,408)
CASH FLOWS FROM FINANCING ACTIVITIES	**481,233**	89,884,799
NET INCREASE IN CASH AND CASH EQUIVALENTS	**13,963,613**	38,666,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**44,705,688**	2,523,456
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**58,669,301**	P 41,190,323

EXHIBIT 5

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(UNAUDITED)

(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Suntrust Home Developers, Inc. (the Company or Parent Company) was incorporated in the Philippines on January 18, 1956 and was extended for another 50 years starting January 18, 2006, to primarily engage in real estate development. The Parent Company is presently engaged in leasing activity and is a publicly listed entity in the Philippine Stock Exchange (PSE).

Megaworld Corporation (Megaworld), also a publicly listed company in the Philippines, is the major stockholder with 42.48% ownership interest in the Parent Company.

Prior to March 2011, the Parent Company held 20% ownership in Suntrust Properties, Inc. (SPI). In March 2011, SPI issued additional 562.1 million shares where Megaworld is the lone subscriber. As a result, the Parent Company's ownership interest in SPI decreased from 20% to 8%. Consequently, the Parent Company lost its significant influence over SPI and, as such, discontinued the use of the equity method in accounting for the investment in SPI and instead accounted the investment as available for sale (AFS) financial asset.

In September 2011, the Parent Company acquired the 100% shares of stock of First Oceanic Property Management Inc. (FOPMI). Consequently, FOPMI becomes the Parent Company's wholly owned subsidiary and its financial statements were consolidated with the Parent Company's financial statements starting 2011. FOPMI, which is incorporated in the Philippines, is engaged primarily in the management of real estate properties.

As of December 31, 2011, FOPMI also holds 100% ownership interest in the shares of stock of CityLink Coach Services, Inc. (CityLink), a domestic company engaged in overland transport, carriage, moving or haulage of passengers, fares, customers and commuters as well as freight, cargo, articles, items, parcels, commodities, goods or merchandise by means of coaches, buses, coasters, jeeps, cars and other similar means of transport.

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

The Parent Company's administrative functions are being handled by Megaworld.

On October 25, 2011, the Board of Directors (BOD) approved the change in the Parent Company's corporate name to "First Oceanic Property Management Group, Inc." and the corresponding amendment to the Parent Company's articles of incorporation and by-laws. To date, the Parent Company is still in the process of applying for approval of the change by the Securities and Exchange Commission (SEC).

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

2.1 Basis of Preparation of Financial Statements

These interim consolidated financial statements are for the nine months ended September 30, 2012 and 2011. They have been prepared in accordance with PAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with PFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2011.

The preparation of interim consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although, these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

These interim consolidated financial statements are presented in Philippine pesos, the functional and presentation currency of the Parent Company and its subsidiary, and all values represent absolute amounts except when otherwise indicated.

2.2 Adoption of New and Amended PFRS

These interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended December 31, 2011.

(a) Effective in 2012 that are Relevant to the Group

PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Group does not usually enter into this type of arrangement with regard to transfer of financial asset, hence, the amendment did not significantly change the Group's disclosures in its financial statements.

(b) Effective Subsequent to 2012 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards that are effective for periods subsequent to 2012. Management has initially determined the following pronouncements, which the Group will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) PAS 1 (Amendment), *Financial Statements Presentation– Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in Other Comprehensive Income into those that, in accordance with other PFRS: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The amendment is not expected to significantly impact the Group'sfinancial statements as the Group has no other comprehensive income during the year.

(ii) PAS 19 (Amendment), *Employee Benefits* (effective from January 1, 2013). The amendment made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:

- eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all gains and losses arising in the reporting period;

- streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

(iii) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. 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 arrangement, 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 main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed. The Group does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Group and is committed to conduct a comprehensive study of the potential impact of this standard to assess the impact of all changes.

(iv) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Group is yet to assess the impact of this new standard.

(v) Consolidation Standards

- PFRS 10, *Consolidated Financial Statements* (effective from January 1, 2013). This standard builds on existing principles of consolidation by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard also provides additional guidance to assist in determining control where this is difficult to assess.

- PFRS 12, *Disclosure of Interest in Other Entities* (effective from January 1, 2013). This standard integrates and makes consistent the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and unconsolidated structured entities. This also introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

- PAS 27 (Revised), *Separate Financial Statements* (effective from January 1, 2013). This revised standard now covers the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been standard have been transferred and included in the new PFRS 10. No new major changes relating to separate financial statements have been introduced as a result of the revision.

The Group is currently reviewing the impact of the above consolidation standards on its financial statements in time for its adoption in 2013.

2.3 Financial Assets

Financial assets are recognized when the Group 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: fair value through profit or loss (FVTPL), held-to-maturity investments, loans and receivables and AFS financial asset. 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 FVTPL are initially recognized at fair value plus any directly attributable transaction costs.

The Group's financial assets are currently classified as loans and receivables and AFS financial asset. A more detailed description of these categories is as follows:

(a) 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 Group

provides money 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 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 Group 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, discounted at the effective interest rate.

The Group's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Trade and Other Receivables and Due from Related Parties in the statement of financial position. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(b)AFS Financial Asset

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets in the statement of financial position unless management intends to dispose of the investment within 12 months from the reporting period. The AFS financial asset pertains to unquoted equity security which was previously classified as Investment in an Associate in the statement of financial position (see Note 5).

The Group assesses at the end of each reporting period whether there is objective evidence that the unquoted equity security, which are carried at cost, may be impaired. The amount of impairment loss is the difference between the carrying amount of the equity security and the present value of the estimated future cash flows discounted at the current market rate of return of a similar asset. Impairment losses on assets carried at cost cannot be reversed.

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 the financial assets is measured. All income and expense relating to financial assets, including impairment losses, that are recognized in profit or loss are presented as part of Finance Income or Finance Costs in the statement of income.

The 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in thefinancial 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 Group'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) Impairment of AFS Financial Asset

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Based on the recent evaluation of information and circumstances affecting the AFS financial asset, management concluded that the asset is not impaired as of September 30, 2012. Future changes in those information and circumstance might significantly affect the carrying amount of the asset.

(b) Distinction Between Investment Properties and Owner-managed Properties

The Group 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.

(c) Operating Leases

The Group has entered into various lease agreements either as a lessor or as lessee. 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.

Management has determined that the Group's current lease agreementsare operating leases.

(d) Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies.

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 Lives of Condominium Units (presented under Investment Property), Property and Equipment and Intangible Assets

The Group estimates the useful lives of property and equipment, condominium units, and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives 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.

Based on management's assessment as at September 30, 2012, there are no changes in estimated useful lives of those assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(b) Allowance for Impairment of Trade and Other Receivables

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

(c) Impairment of Non-financial Assets

Though management believes that the assumptions used in the estimation of fair values reflected in thefinancial 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.

(d) Post-employment Defined Benefit

The determination of the Group'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 increase rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

(e) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill, if any, if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

4. SEGMENT REPORTING

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the services provided, with each segment represent unit that offers different services and serves different markets. For management purposes, the Group is organized into two major business segments, namely property management and service activities. These are also the basis of the Group in reporting its primary segment information.

(a) Property management – is the operation, control of (usually on behalf of an owner), and oversight of commercial, industrial or residential real estate as used in its most broad terms. Management indicates a need to be cared for, monitored and accountability given for its usable life and condition.

(b) Others – consists mainly of rental from leasing activity of Parent Company and transportation services of CityLink.

4.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, net of allowances and due from related parties. Segment liabilities include all operating liabilities and consist principally of trade and other payables and due to related parties.

The business segment information of the Group as of and for the period ended September 30, 2012 follows:

	Property Management	Others	Total
Revenues:			
Management fees	P 127,631,643	P -	P 127,631,643
Rental income	-	6,869,374	6,869,374
Service income	-	6,926,074	6,926,074
Finance income	1,002,306	465,560	1,467,866
Other income	83,485	7,909	91,394
	128,717,434	14,268,917	142,986,351
Expenses	118,349,737	15,854,915	134,204,652
Finance costs	91,685	-	91,685
Profit (loss) before tax	10,276,012	(1,585,998)	8,690,014
Tax expense	3,041,712	93,112	3,134,824
Net profit (loss)	P 7,234,300	(P 1,679,110)	P 5,555,190
Segment assets	P 199,615,155	P 164,373,374	P 363,988,529
Segment liabilities	P 167,116,741	P 73,949,576	P 241,066,317

5. AFS FINANCIAL ASSET

Prior to March 2011, the Parent Company had 20% ownership in SPI and presented such investment as Investment in an Associate in the statement of financial position accounted for under the equity method.

In March 2011, SPI issued additional 562.1 million shares where Megaworld is the lone subscriber. As a result, the Parent Company's ownership interest in SPI decreased from 20% to 8%. Consequently, the Parent Company lost its significant influence over SPI and, as such, discontinued the use of the equity method in accounting for the investment in SPI and instead accounted the investment as AFS financial asset. The carrying amount of the AFS Financial Asset represents the fair value of the investment the Parent Company retained in SPI at the date when the loss of significant influence occurred.

6. EARNINGS PER SHARE

The basic and diluted earnings per share is computed as follows:

	Sept. 30, 2012	Sept. 30, 2011
Net profit	**P 5,555,190**	P 7,393,287
Divided by the weighted average number of outstanding shares	**2,250,000,000**	2,250,000,000
Basic and diluted earningsper share	**P 0.0025**	P 0.0033

The Group has no dilutive potential shares as of the end of each reporting periods.

7. COMMITMENTS AND CONTINGENCIES

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

8. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

8.1 Interest Rate Risk

As at September 30, 2012 and December 31, 2011, the Group is exposed to changes in market interest rates through its cash and cash equivalents which are subject to variable interest rates.

8.2 Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Group. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statements of financial position under Cash and Cash Equivalents, Trade and Other Receivables, Due from Related Parties and AFS Financial Assets.

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

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

No impairment loss has been recorded in relation to the AFS financial asset. The carrying amount disclosed is the Group's maximum possible credit risk exposure in relation to this instrument.

8.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term 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. Long-term liquidity needs for a six months and one year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at September 30, 2012 and December 31, 2011, the Group's financial liabilities, respectively, have contractual maturities which are presented below.

	September 30, 2012 (Unaudited)		
	Current		**Non-current**
	1 - 6 months	**6 - 12 months**	**1 to 5 years**
Interest-bearing loans	**P -**	**P 286,551**	**P 740,878**
Trade and other payables	**27,751,419**	**33,742,624**	**-**
Due to related parties	**9,019,016**	**107,543,565**	**-**
	P 36,770,435	**P 141,572,740**	**P 740,878**

	December 31, 2011 (Audited)		
	Current		Non-current
	1 - 6 months	6 - 12 months	1 to 5 years
Interest-bearing loans	P 495,233	P 495,233	P 994,506
Trade and other payables	13,334,152	34,860,334	-
Due to related parties	11,455,055	103,577,065	-
	P 25,284,440	P 138,932,632	P 994,506

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of each reporting periods.

9. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to:

- Ensure the Group's ability to continue as a going concern; and
- Provide an adequate return to shareholders in the future.

The Group 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 Group 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. As of September 30, 2012 and December 31, 2011, the Group's debt-to-equity ratio is 0.01 and 0.02, respectively.

EXHIBIT 6

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATION

Nine months ended September 30, 2012 compared to
Nine months ended September 30, 2011

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.

The Group's total revenues exhibited an increase of 23.46 million or 19.63% from 119.52 million in 2011 to 142.99 million in 2012 of the same period. Total revenues mostly came from management fees, rental income and service income.

Cost and expenses exhibited an increase of 25.46 million or 22.74% from 111.97 million in 2011 to 137.43 million in 2012. Increase in cost and expenses were mainly due to cost of services and operating expenses.

The Group's net profit shows decrease of 1.84 million or 24.86% from 7.39 million in 2011 to 5.56 million in 2012.

FINANCIAL CONDITION

As of September 30, 2012 and December 31, 2011

The Group's total resources amounted to 363.99 million in 2012 from 334.48 million in 2011. The Group manages its liquidity needs by carefully monitoring scheduled payments for financial liabilities as well as its cash outflows due in a day-to-day business.

Current assets increased by 32.61 million or 20.10% from 162.29 million in 2011 to 194.91 million in 2012. Cash and cash equivalents increased by 13.96 million or 31.23% from 44.71 million in 2011 to 58.67 million in 2012. Due from related parties increased by 1.80 million or 5.47% from 32.85 million in 2011 to 34.65 million in 2012.

Non-current assets decreased by 3.10 million or 1.80% from 172.18 million in 2011 to 169.08 million in 2012. Investment property decreased by 0.93 million or 2.78% from 33.46 million in 2011 to 32.53 million in 2012. Property and equipment decreased by 1.94 million or 14.18% from 13.65 million in 2011 to 11.71 million in 2012.

Trade and other receivables increased by 15.54 million or 18.84% from 82.47 million in 2011 to 98.01 million in 2012. Other Assets increased by 1.08 million or 7.59% from 14.20 million in 2011 to 15.27 million in 2012.

Current liabilities increased by 13.71 million or 8.02% from 170.98 million in 2011 to 184.69 million in 2012. Trade and other payables exhibited an increase of 10.49 million or 19.29% from 54.39 million in 2011 to 64.88 million in 2012. Due to Related Parties increased by 1.53 million or 1.33% from 115.03 million in 2011 to 116.56 million in 2012. Income tax payable increased by 2.39 million or 419.11% from 0.57 million in 2011 to 2.96 million in 2012.

Non-current liabilities increased by 10.25 million or 22.21% from 46.13 million in 2011 to 56.37 million in 2012. Retirement benefit obligation increased by 10.50 million or 23.26% from 45.13 million in 2011 to 55.63 million in 2012.

Interest-bearing loans decreased by 0.96 million or 48.24% from 1.98 million in 2011 to 1.03 million in 2012.

Material Changes in the Financial Statement Items:
Increase/(Decrease) of 5% or more versus 2011

Balance Sheet

Cash and Cash Equivalents 31.23%

Increase in cash is due to timely collection of receivables as of the current period.

Trade and Other Receivables – net 18.84%

Increase is due to additional revenues from management fees as of the current period.

Due from Related Parties 5.47%

Increase is due to additional advances to related parties.

Other Assets 7.59%

Due to increase in prepayments as of the current period.

Property and Equipment – net (14.18%)

Decrease is due to depreciation as of the current period.

Trade and Other Payables 19.29%

Due to increase in accrued expenses as of the current period.

Interest-bearing Loans (48.24%)

Decrease is due to settlement of current obligations.

Income Tax Payable 419.11%

Increase is due to higher taxable income of the current period.

Retirement Benefit Obligation 23.26%

Due to additional accrual of employee retirement benefits as of the current period.

Income Statement

Management Fees 20.79%

Increase due to additional properties managed by the subsidiary.

Rental Income 543.83%

Increase due to higher rental income generated by the subsidiary.

Service Income 80.27%

Increase due to higher service income generated by the subsidiary.

Finance Income 30.70%

Increase due to higher interest rate.

Equity Share in Net Earnings of an Associate (100%)

Decrease due to discontinued recognition of equity share in net earnings which resulted from the decrease in ownership in an associate.

Income from Acquisition of Subsidiary (100%)

Decrease due to effect of non-recurring income from acquisition of a subsidiary.

Cost of Services 21.33%

Higher cost of services due to increase in properties managed by the subsidiary.

Operating Expenses 15.39%

Due to increase in administrative and corporate overhead expenses.

Finance Cost (33.26%)

Due to decrease in interest bearing loans as of the current period.

Tax Expense 324.48%

Due to higher taxable income.

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, rental income and service income. The group's revenues showed an increase of P23.46 million or 19.63% from P119.52 million in 2011 to P142.99 million in 2012.
- *Increase in Total Assets* – total assets increased by 8.82% from P334.48 million in 2011 to P363.99 million in 2012.
- *Increase in Cash and Cash Equivalents* – cash and cash equivalents increased by 13.96 million or 31.23% from 44.71 million in 2011 to 58.67 million in 2012. This is attributable to timely collection of receivable.
- *Increase in Trade Receivables* – Total trade receivables increased by 15.54 million or 18.84% from 82.47 million in 2011 to 98.01 million in 2012. Increase is due to continuous flows of revenues in the form of administrative fees.
- *Decrease in Interest-bearing Loans* – Decrease from 1.98 million in 2011 to 1.03 million in 2012 due to settlement of current obligations. The Group retains commendable credit status.

There are no other significant changes in the Group'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 Group.

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 Group's liquidity in any material way.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Group, including any default or acceleration of an obligation.

The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. The Group has no material commitments for capital expenditures.

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

The Group 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 group.

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, 2012

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	98,006,067	26,096,273	5,707,158	6,015,360	4,785,124	6,545,209	48,856,943			
Non-Trade Receivables		-			-					
	98,006,067	26,096,273	5,707,158	6,015,360	4,785,124	6,545,209	48,856,943			

2. Accounts Receivable Description

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

EXHIBIT 8

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARY
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
SEPTEMBER 30, 2012 AND DECEMBER 31, 2011

	SEPTEMBER 30, 2012	DECEMBER 31, 2011
Current ratio	1.06 : 1.00	0.95 : 1.00
Quick ratio	0.32 : 1.00	0.26 : 1.00
Debt-to-equity ratio	0.01 : 1.00	0.02 : 1.00
Interest-bearing debt to total capitalization ratio	0.01 : 1.00	0.02 : 1.00
Asset-to-equity ratio	2.96 : 1.00	2.85 : 1.00
		SEPTEMBER 30, 2011
Return on assets	1.59%	1.12%
Return on equity/investment	4.52%	6.25%

L IQUIDITY RATIOS measure the business' ability t o p ay short-term debt.

Current ratio – computed as current assets divided by current liabilities

Quick ratio – computed as cash, marketable securities, accounts receivable divided by current liabilities

SOLVENCY RATIOS measure the business' ability to pay all debts, particularly long-term debt.

Debt to equity ratio – computed as interest bearing debt divided by stockholders' equity.

Interest-bearing debt to total capitalization ratio – computed as interest-bearing debt divided by interest bearing debt + stockholders' equity

ASSET-TO-EQUITY RATIOS measure financial leverage and long-term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

PROFITABILITY RATIOS

Return on assets – net profit divided by average total assets

Return on investment – net profit divided by total stockholders' equity