

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
Mar 31, 2018
2. SEC Identification Number
10683
3. BIR Tax Identification No.
000-141-166
4. Exact name of issuer as specified in its charter
SUNTRUST HOME DEVELOPERS, INC.
5. Province, country or other jurisdiction of incorporation or organization
METRO MANILA, PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
26th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio,
Taguig City
Postal Code
1634
8. Issuer's telephone number, including area code
(632) 864-6300
9. Former name or former address, and former fiscal year, if changed since last report
6th Floor, The World Centre, 330 Sen. Gil Puyat Avenue, Makati City, Metro Manila,
Philippines
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,250,000,000

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange; Common Shares
12. 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 Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

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

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Suntrust Home Developers, Inc. SUN

PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2018
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Mar 31, 2018		Dec 31, 2017	
Current Assets	574,043,360		556,088,692	
Total Assets	722,417,877		707,311,522	
Current Liabilities	269,198,630		266,002,265	
Total Liabilities	373,346,358		364,149,993	
Retained Earnings/(Deficit)	-1,738,374,319		-1,744,284,309	
Stockholders' Equity	349,071,519		343,161,529	
Stockholders' Equity - Parent	349,071,519		343,161,529	
Book Value per Share	0.16		0.15	

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	121,484,306	108,711,011	121,484,306	108,711,011
Gross Expense	111,311,053	89,195,321	111,311,053	89,195,321
Non-Operating Income	1,658,194	1,521,518	1,658,194	1,521,518
Non-Operating Expense	2,539,806	2,446,865	2,539,806	2,446,865
Income/(Loss) Before Tax	9,291,641	18,590,343	9,291,641	18,590,343

Income Tax Expense	3,381,651	5,623,612	3,381,651	5,623,612
Net Income/(Loss) After Tax	5,909,990	12,966,731	5,909,990	12,966,731
Net Income Attributable to Parent Equity Holder	5,909,990	12,966,731	5,909,990	12,966,731
Earnings/(Loss) Per Share (Basic)	0	0	0	0
Earnings/(Loss) Per Share (Diluted)	0	0	0	0

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.02	0.02
Earnings/(Loss) Per Share (Diluted)	0.02	0.02

Other Relevant Information

Please see attached SEC Form 17-Q for the period ended 31 March 2018 of Suntrust Home Developers, Inc.

The actual figures for both Earnings/(Loss) Per Share (Basic) and Earnings/(Loss) Per Share (Diluted) are as follows:

Current Year-To-Date: 0.0026

Previous Year-To-Date: 0.0058

Current Year (3 Months): 0.0026

Previous Year (3 Months): 0.0058

Filed on behalf by:

Name	Ma. Veronica Munchua
Designation	Authorized Representative

EXHIBIT 1**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****MARCH 31, 2018 AND DECEMBER 31, 2017***(Amounts in Philippine Pesos)*

	Unaudited March 31, 2018	Audited December 31, 2017
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash and cash equivalents	P 387,744,812	P 356,720,305
Trade and other receivables	112,635,558	129,375,807
Due from related parties - net	56,712,386	56,923,540
Other current assets - net	16,950,604	13,069,040
Total Current Assets	574,043,360	556,088,692
NON-CURRENT ASSETS		
Trade and other receivables	4,982,693	4,982,693
Investment property -net	25,717,590	26,027,440
Property and equipment - net	65,152,687	66,958,795
Deferred tax assets	39,544,451	39,544,451
Other non-current assets - net	12,977,096	13,709,451
Total Non-current Assets	148,374,517	151,222,830
TOTAL ASSETS	P 722,417,877	P 707,311,522
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Trade and other payables	P 149,839,473	P 147,756,746
Due to related parties	109,822,774	109,184,032
Income tax payable	9,536,383	9,061,487
Total Current Liabilities	269,198,630	266,002,265
NON-CURRENT LIABILITY		
Retirement benefit obligation	104,147,728	98,147,728
TOTAL LIABILITIES	373,346,358	364,149,993
EQUITY	349,071,519	343,161,529
TOTAL LIABILITIES AND EQUITY	P 722,417,877	P 707,311,522

EXHIBIT 2

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2018 AND 2017
(Amounts in Philippine Pesos)

	Unaudited March 31, 2018	Unaudited March 31, 2017
REVENUES		
Management fees	P 108,626,613	P 95,980,307
Service income	5,849,896	6,972,154
Rental income	7,007,797	5,758,550
Finance and other income	<u>1,658,194</u>	<u>1,521,518</u>
	<u>123,142,500</u>	<u>110,232,529</u>
 COSTS AND EXPENSES		
Cost of services	79,826,571	65,751,976
Operating expenses	31,484,482	23,443,345
Finance costs	2,539,806	2,446,865
Tax expense	<u>3,381,651</u>	<u>5,623,612</u>
	<u>117,232,510</u>	<u>97,265,798</u>
 NET PROFIT	 <u><u>P 5,909,990</u></u>	 <u><u>P 12,966,731</u></u>
 Earnings Per Share –		
Basic and Diluted	 <u><u>P 0.0026</u></u>	 <u><u>P 0.0058</u></u>

EXHIBIT 3

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2018 AND 2017
(Amounts in Philippine Pesos)

	Unaudited March 31, 2018	Unaudited March 31, 2017
CAPITAL STOCK - P1 par value		
Authorized - 3 billion shares	2,062,500,000	2,062,500,000
REVALUATION RESERVES	24,945,838	25,349,975
DEFICIT		
Balance at beginning of the period	(1,744,284,309)	(1,806,014,138)
Net profit for the period	<u>5,909,990</u>	<u>12,966,731</u>
Balance at end of the period	(<u>1,738,374,319</u>)	(<u>1,793,047,407</u>)
TOTAL EQUITY	<u>349,071,519</u>	<u>294,802,568</u>

EXHIBIT 4

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2018 AND 2017
(Amounts in Philippine Pesos)

	Unaudited March 31, 2018	Unaudited March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,291,641	18,590,343
Adjustments for:		
Depreciation and amortization	4,940,574	3,161,563
Finance income	(677,579)	(991,162)
Finance costs	2,539,806	2,446,865
Operating profit before working capital changes	16,094,442	23,207,609
Decrease in trade and other receivables	16,756,274	7,359,817
Decrease in due from related parties - net	211,154	1,153,477
Increase in other current assets - net	(3,881,564)	(860,416)
Increase (decrease) in trade and other payables	2,082,727	(37,670,846)
Increase in retirement benefit obligation	3,700,062	3,812,695
Cash generated from (used in) operations	34,963,095	(2,997,664)
Interest received	661,554	1,021,700
Cash paid for taxes	(2,906,755)	(5,029,441)
Net Cash From (Used in) Operating Activities	32,717,894	(7,005,405)
CASH FLOWS USED IN INVESTING ACTIVITIES	(2,092,261)	(11,505,760)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	398,874	(1,860,121)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,024,507	(20,371,286)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	356,720,305	359,656,256
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	387,744,812	339,284,970

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(UNAUDITED)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Company Background

Suntrust Home Developers, Inc. (the Company or Parent Company) was incorporated in the Philippines on January 18, 1956 (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 Philippines.

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

On January 8, 2018, the Philippine Securities and Exchange Commission approved the change in the Parent Company's registered office and principal place of business from 6th Floor, The World Centre Building, 330 Sen. Gil Puyat Avenue, Makati City to 26th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City.

The Parent Company's administrative functions are being handled by Megaworld at no cost to the Company.

1.2 Subsidiaries and their Operations

The Parent Company holds 100% ownership interest in First Oceanic Property Management, Inc. (FOPMI). FOPMI, which is incorporated in the Philippines, is engaged primarily in the management of real estate properties.

On the other hand, FOPMI 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 and principal place of business of FOPMI is located at 10th Floor, Alliance Global Tower, 36th St. corner 11th Avenue, Uptown Bonifacio, Taguig City. The registered and principal place of business of Citylink is located at G/F McKinley Parking Building, Service Road 2, McKinley Town Center, Fort Bonifacio, Taguig City.

2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the three months ended March 31, 2018 and 2017 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2017.

The preparation of interim condensed consolidated financial statements in accordance with Philippine Financial Reporting Standards (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 condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Group and all values represent absolute amounts except when otherwise indicated.

2.2 Adoption of New and Amended PFRS

A number of new or amended standards became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the interim condensed consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements as of and for the year ended December 31, 2017.

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 rental and other activities. These are also the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

- (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) Rental and Others – consists 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 - net. Segment liabilities include all operating liabilities and consist principally of trade and other payables, due to related parties and retirement benefit obligation.

The following tables present revenue and profit information regarding industry segments for the three months ended March 31, 2018 and 2017 and certain asset and liability information regarding segments as at March 31, 2018 and 2017.

March 31, 2018

	<u>Property Management</u>	<u>Rental and Others</u>	<u>Total</u>
Revenues:			
Management fees	P 108,626,613	P -	P 108,626,613
Service income	-	5,849,896	5,849,896
Rental income	-	7,007,797	7,007,797
Finance and other income	<u>1,109,806</u>	<u>548,388</u>	<u>1,658,194</u>
Gross revenues	109,736,419	13,406,081	123,142,500
Expenses	96,522,149	14,788,904	111,311,053
Finance costs	<u>2,299,938</u>	<u>239,868</u>	<u>2,539,806</u>
Profit (loss) before tax	10,914,332	(1,622,691)	9,291,641
Tax expense	<u>3,271,973</u>	<u>109,678</u>	<u>3,381,651</u>
Net profit (loss)	<u>P 7,642,359</u>	<u>(P 1,732,369)</u>	<u>P 5,909,990</u>
Segment assets	<u>P 560,773,178</u>	<u>P 161,644,699</u>	<u>P 722,417,877</u>
Segment liabilities	<u>P 304,055,263</u>	<u>P 69,291,095</u>	<u>P 373,346,358</u>

March 31, 2017

	<u>Property Management</u>	<u>Rental and Others</u>	<u>Total</u>
Revenues:			
Management fees	P 95,980,307	P -	P 95,980,307
Service income	-	6,972,154	6,972,154
Rental income	-	5,758,550	5,758,550
Finance and other income	<u>1,188,472</u>	<u>333,046</u>	<u>1,521,518</u>
Gross revenues	97,168,779	13,063,750	110,232,529
Expenses	76,364,357	12,830,964	89,195,321
Finance costs	<u>2,187,305</u>	<u>259,560</u>	<u>2,446,865</u>
Profit (loss) before tax	18,617,117	(26,774)	18,590,343
Tax expense	<u>5,529,948</u>	<u>93,664</u>	<u>5,623,612</u>
Net profit (loss)	<u>P 13,087,169</u>	<u>(P 120,438)</u>	<u>P 12,966,731</u>
Segment assets	<u>P 500,399,125</u>	<u>P 164,268,365</u>	<u>P 664,667,490</u>
Segment liabilities	<u>P 303,812,334</u>	<u>P 66,052,588</u>	<u>P 369,864,922</u>

5. EARNINGS PER SHARE

Earnings per share (EPS) amounts were computed as follows:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Net profit	P 5,909,990	P 12,966,731
Divided by the weighted average number of outstanding shares	<u>2,250,000,000</u>	<u>2,250,000,000</u>
Basic and diluted EPS	<u>P 0.0026</u>	<u>P 0.0058</u>

The Group has no potentially dilutive shares as of the end of each reporting period.

6. EQUITY

The details of this account for the three months ended March 31, 2018 and 2017 are as follows:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Capital stock	P 2,062,500,000	P 2,062,500,000
Revaluation reserves	24,945,838	25,349,975
Deficit	<u>(1,738,374,319)</u>	<u>(1,793,047,407)</u>
	<u>P 349,071,519</u>	<u>P 294,802,568</u>

7. COMMITMENTS AND CONTINGENCIES

The Group has other commitments and contingencies that may arise in the normal course of the Group's operations which have not been reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these other commitments will not have material effects on the Group's consolidated 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.

Exposure to interest rate, credit and liquidity risk arise in the ordinary course of the Group's business activities. The main objective of the Group's risk management is to identify, monitor, and minimize those risks and to provide cost with a degree of certainty.

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 March 31, 2018 and December 31, 2017, 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 a counterpart may fail to discharge an obligation to the Group. The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position under cash and cash equivalents, trade and other receivables (excluding advances to employees) and due from related parties - net.

None of the Group's financial assets are secured by collateral or other credit enhancements except for the cash and cash equivalents as described below.

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

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. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

9. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

9.1 Carrying Amounts and Fair Values by Category

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

	March 31, 2018 (Unaudited)		December 31, 2017 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	P 387,744,812	P 387,744,812	P 356,720,305	P 356,720,305
Trade and other receivables	108,673,459	108,673,459	125,437,197	125,437,197
Due from related parties – net	56,712,386	56,712,386	56,923,540	56,923,540
Security and other refundable deposits – net	4,715,514	4,715,514	4,715,514	4,715,514
	<u>P 557,846,171</u>	<u>P 557,846,171</u>	<u>P 543,796,556</u>	<u>P 543,796,556</u>
Financial Liabilities				
Financial liabilities at amortized cost:				
Trade and other payables	P 128,788,659	P 128,788,659	P 124,912,863	P 124,912,863
Due to related parties	109,822,774	109,822,774	109,184,032	109,184,032
	<u>P 238,611,433</u>	<u>P 238,611,433</u>	<u>P 234,096,895</u>	<u>P 234,096,895</u>

9.2 Fair Value Hierarchy

The Group uses the following hierarchy level in determining the fair values that will be disclosed for its financial instruments.

- a.) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- b.) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- c.) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Group's financial assets which are not measured at fair value in the consolidated statement of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and trade and other receivables and due from related parties, which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to trade and other payables and due to related parties which are categorized under Level 3.

10. 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 to 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 consolidated statements 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**RESULTS OF OPERATIONS***Review of March 31, 2018 versus March 31, 2017*

The Group's total revenues exhibited an increase of Php12.91 million or 11.71% from Php110.23 million in 2017 to Php123.14 million in 2018 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php19.97 million or 20.53% from Php97.27 million in 2017 to Php117.23 million in 2018. Increase in costs and expenses were mainly due to cost of services and operating expenses.

The Group's net profit showed a decrease of Php7.06 million or 54.42% from Php12.97 million in 2017 to Php5.91 million in 2018.

FINANCIAL CONDITION*As of March 31, 2018 and December 31, 2017*

The Group's total resources amounted to Php722.42 million in 2018 from Php707.31 million in 2017. 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 Php17.95 million or 3.23% from Php556.09 million in 2017 to Php574.04 million in 2018. Cash and cash equivalents increased by Php31.02 million or 8.70% from Php356.72 million in 2017 to Php387.74 million in 2018. Due from related parties - net decreased by Php0.21 million or 0.37% from Php56.92 million in 2017 to Php56.71 million in 2018.

Non-current assets decreased by Php2.85 million or 1.88% from Php151.22 million in 2017 to Php148.37 million in 2018. Investment property - net decreased by Php0.31 million from Php26.03 million in 2017 to Php25.72 million in 2018. Property and equipment - net decreased by Php1.81 million or 2.70% from Php66.96 million in 2017 to Php65.15 million in 2018.

Trade and other receivables decreased by Php16.74 million or 12.46% from Php134.36 million in 2017 to Php117.62 million in 2018. Other assets increased by Php3.15 million or 11.76% from Php26.78 million in 2017 to Php29.93 million in 2018.

Current liabilities increased by Php3.20 million or 1.20% from Php266.00 million in 2017 to Php269.20 million in 2018. Trade and other payables exhibited an increase of Php2.08 million or 1.41% from Php147.76 million in 2017 to Php149.84 million in 2018. Due to related parties increased by Php0.64 million or 0.59% from Php109.18 million in 2017 to

Php109.82 million in 2018. Income tax payable increased by Php0.47 million or 5.24% from Php9.06 million in 2017 to Php9.54 million in 2018.

Retirement benefit obligation increased by Php6.00 million or 6.11% from Php98.15 million in 2017 to Php104.15 million in 2018.

Material Changes in Year 2018 Financial Statements
Increase/Decrease of 5% or more versus December 31, 2017

Statements of Financial Position

8.70% increase in cash and cash equivalents
Due to timely collection of receivables as of the current period

12.46% decrease in trade and other receivables – current and non-current
Due to collection of receivables as of current period

11.76% increase in other assets - net – current and non-current
Due to increase in prepayments as of the current period

5.24% increase in income tax payable
Due to higher income tax expense accrued for the current period

6.11% increase in retirement benefit obligation
Due to additional accrual of employee retirement benefits for the current period

Increase/Decrease of 5% or more versus March 31, 2017

Statements of Income

13.18% increase in management fees
Due to additional properties managed by a subsidiary

16.10% decrease in service income
Due to lower service income generated by a subsidiary

21.69% increase in rental income
Due to higher rental income generated by a subsidiary

8.98% increase in finance and other income
Due to higher interest income generated by a subsidiary

21.41% increase in cost of services
Due to higher service cost for the current period

34.30% increase in operating expenses
Due to higher administrative and overhead expenses for the current period

39.87% decrease in tax expense
Due to lower taxable income for the current period

KEY PERFORMANCE INDICATORS

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

	March 31, 2018	December 31, 2017
Current Ratio *1	2.13 : 1.00	2.09 : 1.00
Quick Ratio *2	1.44 : 1.00	1.34 : 1.00
Debt to Equity Ratio *3	1.07 : 1.00	1.06 : 1.00
		March 31, 2017
Return on Assets *4	0.83%	1.92%
Return on Equity *5	1.71%	4.50%

*1 – *Current Assets / Current Liabilities*

*2 – *Cash and Cash Equivalents / Current Liabilities*

*3 – *Total Liabilities / Equity*

*4 – *Net Profit / Average Total Assets*

*5 – *Net Profit / Average Equity*

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 other material issuances, repurchases or repayments of debt and equity securities.

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.

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
 Aging of Accounts Receivable
 March 31, 2018

EXHIBIT 7

Type of Receivables	Total	Current/ Not Yet Due	1-3 Months	4-6 Months	7 Months to 1 Year	1-2 Years	Past Due Accounts and Items in Litigation
Trade and Other Receivables	<u>117,618,251</u>	<u>51,581,687</u>	<u>11,743,939</u>	<u>13,416,761</u>	<u>16,948,839</u>	<u>23,927,025</u>	

SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
MARCH 31, 2018 AND DECEMBER 31, 2017

EXHIBIT 8

	MARCH 31, 2018	DECEMBER 31, 2017
Current ratio	2.13 :1.00	2.09 :1.00
Quick ratio	1.44 :1.00	1.34 :1.00
Debt-to-equity ratio	1.07 :1.00	1.06 :1.00
Asset-to-equity ratio	2.07 :1.00	2.06 :1.00
	MARCH 31, 2018	MARCH 31, 2017
Return on assets	0.83%	1.92%
Return on equity	1.71%	4.50%

LIQUIDITY RATIOS measure the business' ability to pay short-term debt.

Current ratio – computed as current assets divided by current liabilities

Quick ratio – computed as cash and cash equivalents divided by current liabilities

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

Debt-to-equity ratio – computed as total debt divided by total 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 total stockholders' equity.

PROFITABILITY RATIOS

Return on assets – net profit divided by average total assets.

Return on equity – net profit divided by average total stockholders' equity.