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 **31 March 2010**

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

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
May 12, 2010

EXHIBIT 1

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2010 AND DECEMBER 31, 2009
(Amounts in Philippine Pesos)

	Unaudited March 31, 2010	*Audited* December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash	**562,396**	111,847
Prepayments & Other Current Assets	**5,371,683**	5,199,010
Total Current Assets	**5,934,079**	5,310,857
NON-CURRENT ASSETS		
Investments in an associate	**89,016,780**	89,085,995
Investment Property - net	**472,318,215**	472,791,144
Other non-current assets	**2,442,773**	2,442,773
Total Non-current Assets	**563,777,768**	564,319,912
TOTAL ASSETS	**569,711,847**	569,630,769
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	**1,089,678**	1,099,020
Advances from related parties	**25,888,640**	25,503,746
Provision	**436,848,488**	436,848,488
Total Liabilities	**463,826,806**	463,451,254
EQUITY		
Capital Stock	**2,062,500,000**	2,062,500,000
Deficit	**(1,956,614,959)**	(1,956,320,485)
Total Equity	**105,885,041**	106,179,515
TOTAL LIABILITIES AND EQUITY	**569,711,847**	569,630,769

See Notes to Financial Statements.

EXHIBIT 2

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF INCOME
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(Amounts in Philippine Pesos)

	Unaudited **March 31, 2010**	*Unaudited* March 31, 2009
REVENUES		
Equity share in net earnings of an associate	-	1,399,713
Rental Income	552,921	-
Interest income from banks	218	609
	553,139	1,400,322
COSTS AND EXPENSES		
Administrative expenses	303,826	493,045
Cost of rentals	472,929	-
Equity share in net losses of an associate	69,215	-
Income tax expense	1,643	122
	847,613	493,167
NET PROFIT (LOSS) FOR THE YEAR	(294,474)	907,155
EARNINGS/(LOSS) PER SHARE	**(P 0.0001)**	P 0.0004

EXHIBIT 3

SUNTRUST HOME DEVELOPERS INC.
STATEMENTS OF CHANGES IN EQUITY
MARCH 31, 2010 AND MARCH 31, 2009

	Unaudited March 31, 2010	Unaudited March 31, 2009
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	(1,956,320,485)	(1,960,237,602)
Net profit (loss) for the year	(294,474)	907,155
Balance at end of year	(1,956,614,959)	(1,959,330,447)
TOTAL EQUITY	**105,885,041**	103,169,553

-See Notes to Financial Statements-

EXHIBIT 4

SUNTRUST HOME DEVELOPERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009

	Unaudited March 31, 2010	Unaudited March 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	**(292,831)**	907,277
Adjustments for:		
Depreciation	**472,929**	323
Equity share in net (earnings)losses of an associate	**69,215**	(1,399,713)
Interest Income	**(218)**	(609)
Operating Loss before working capital changes	**249,095**	**(492,722)**
Increase in prepayments and other current assets	**(172,673)**	(139,906)
Decrease in trade & other payables	**(9,342)**	(283,729)
Cash generated from (used in) operations	**67,080**	(916,357)
Cash paid for taxes	**(1,643)**	(122)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	**65,437**	(916,479)
CASH FLOWS FROM INVESTING ACTIVITIES	**218**	609
CASH FLOWS FROM FINANCING ACTIVITIES	**384,894**	1,000,000
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**450,549**	84,130
CASH & CASH EQUIVALENTS - BEGINNING	**111,847**	594,676
CASH & CASH EQUIVALENTS - ENDING	**562,396**	678,806

-See Notes to Financial Statements-

EXHIBIT 5

SUNTRUST HOME DEVELOPERS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 and 2009
(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.

As of March 31, 2010 and December 31, 2009, Megaworld Corporation (Megaworld), also a publicly listed Company, is the major stockholder with 42.48% ownership interest in the Company.

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 Company's administrative functions are being handled by Megaworld.

The financial statements have been prepared on a going concern basis since Megaworld commits to provide continuing financial support on 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 asset, liability, income and expense. These financial statements have been prepared on the historical cost basis. 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 two statements: a statement of income and a statement of comprehensive 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 in its financial statements, or reclassifies items in the financial statements.

(c) *Functional and Presentation Currency*

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

2.3 Adoption of New Interpretations, Revisions and Amendments to PFRS

(a) *Effective in 2010 that are Relevant to the Company*

The following new standards are relevant to the Company which the Company will apply in accordance with their transitional provisions.

(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 it does not normally extinguish financial liabilities through equity swap.

(ii) 2009 Annual Improvements to PFRS. The FRSC has adopted the *Improvements to Philippine Financial Reporting Standards 2009*. Most of these amendments became effective for annual periods beginning on or after July 1, 2009, or

January 1, 2010. Among those improvements, only the following amendments were identified to be relevant to the Company's financial statements:

- PAS 1 (Amendment), *Presentation of Financial Statements* (effective from January 1, 2010). The amendment clarifies the current and non-current classification of a liability that can, at the option of the counterparty, be settled by the issue of the entity's equity instruments. The amendment have no material impact in the Company's financial statements.

- PAS 7 (Amendment), *Statement of Cash Flows* (effective from January 1, 2010). The amendment clarifies that only an expenditure that results in a recognized asset can be classified as a cash flow from investing activities. The amendment does not have a material impact on the financial statements since only recognized assets are classified by the Company as cash flow from investing activities.

- PAS 17 (Amendment), *Leases* (effective from January 1, 2010). The amendment clarifies that when a lease includes both land and building elements, an entity assesses the classification of each element as finance or an operating lease separately in accordance with the general guidance on lease classification set out in PAS 17. Management has initially determined that this does not have material impact on the financial statements since the Company currently does not have a lease agreement that includes both land and building.

- PAS 18 (Amendment), *Revenue* (effective from January 1, 2010). The amendment provides guidance on determining whether an entity is acting as a principal or as an agent.

(b) Effective Subsequent to 2010

Philippine Interpretation IFRIC 15, *Agreements for Construction of Real Estate*, (effective from January 1, 2012). This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of PAS 11, *Construction Contracts*, or PAS 18, *Revenue*, and accordingly, when revenue from the construction should be recognized. It is likely to result in PAS 18 being applied to a wider range of transactions. IFRIC 15 will be applied by the Company on future real estate revenue transactions.

2.4 Financial Assets

Financial assets, which are recognized when the Company becomes a party to the contractual terms of the financial instrument, include cash and other financial instruments. Financial assets 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. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

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 recognized 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 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.

The Company's financial assets categorized as loans and receivables are presented as Cash and Advances to Officers and Employees (presented under Prepayments and Other Current Assets) in the statement of financial position.

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.

2.5 Investment in an Associate

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 Share in Net Earnings (Losses) of an Associate in the Company's statement of income and therefore affect the net results of the Company. These changes include subsequent depreciation and amortization or impairment of the fair value adjustments of assets and liabilities. Items that have been directly recognized in the associate's equity, for example, resulting from the associate's accounting for available-for-sale financial assets, are recognized in the equity of the Company. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividend or other transactions with the associate's shareholders are charged against the proceeds received or granted. No effect on the Company's net result or equity is recognized in the course of these transactions.

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.

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 20 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 2.11).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

2.7 Financial Liabilities

Financial liabilities, which include trade and other payables and advances from related parties, 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 less settlement payments.

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

2.8 Provisions

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.

2.9 Revenue and Expense Recognition

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

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Company, and the costs incurred or to be incurred can be measured reliably. In addition, the 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.

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

2.10 Leases – Entity 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 entity 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.

2.11 Impairment of Non-financial Assets

The Company's investment in an associate, property and equipment and investment property are 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.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation.

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.

2.12 Employee Benefits

(a) Post-employment 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 for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's 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 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.

(b) Compensated Absences

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

2.13 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.

2.14 Equity

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

Subscribed capital represents shares for which partial payments have been made by the stockholder.

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

2.15 Earnings or Loss Per Share

Basic earnings or loss per share is determined by dividing net income by the weighted average number of common shares subscribed and issued during the year after giving retroactive effect to any stock dividends, 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 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. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2.8.

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 Condominium Units (presented under 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.

Based on management's collective assessment of industry practice, internal technical evaluation and experience with similar assets as at March 31, 2010 and December 31, 2009, the estimated useful life of the condominium units is 20 years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(b) Impairment of Non-financial Assets

The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.11. 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.

4. COMMITMENTS AND CONTINGENCIES

There are commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the financial statements.

5. 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 below.

5.1 Credit Risk

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 account and the Advances to Officers and Employees (shown as part of Prepayment and Other Current Assets account in the statement of financial position).

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

5.2 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 March 31, 2010 and December 31, 2009, the Company's trade and other payables 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.

6. 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 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

2010 vs. 2009

RESULTS OF OPERATION

Three months ended March 31, 2010 Compared to Three months ended March 31, 2009

The company's total revenues exhibited decrease of 847.18 thousand from 1.40 million in 2009 to 553.14 thousand in 2010 of the same period. Total revenues this 2010 mostly came from rental income of 552.92 thousand from various condominium units.

Cost and expenses increased by 354.45 thousand or 71.87% from 493.17 thousand in 2009 to 847.61 thousand in 2010. Major increase in cost and expenses is mainly due to cost of rentals for the current period.

The net results of the company showed a decrease of 1.20 million or 132.46% from 907.16 thousand net profit in 2009 to 294.47 thousand net loss in 2010.

FINANCIAL CONDITION

As of March 31, 2010 and December 31, 2009

Current assets increased by 623.22 thousand or 11.73% from 5.31 million in 2009 to 5.93 million in 2010. Cash increased by 450.55 thousand or 402.83% from 111.85 thousand in 2009 to 562.40 thousand in 2010. Prepayments increased by 172.67 thousand from 5.20 million in 2009 to 5.37 million in 2010.

Investment in associate decreased by 69.22 thousand from 89.09 million in 2009 to 89.02 million in 2010. Investment property decreased by 472.93 thousand from 472.79 million in 2009 to 472.32 million in 2010 due to depreciation for the current period.

Trade & Other Payables exhibited a decrease of 9.34 thousand from 1.10 million in 2009 to 1.09 million in 2010. Advances from related parties increased by 384.90 thousand from 25.50 million in 2009 to 25.89 million in 2010.

Material Changes in the Financial Statement Items:
Increase/(Decrease) of 5% or more versus 2009

Financial Position

Cash 402.83%

Increase is due to additional advances made from a related party.

Income Statement

Equity Share in Net Earnings/(Losses) of an Associate (104.94%)

Decrease due to company reported equity share in net loss of an associate for the current period while equity share in net profit of an associate in the previous period.

Rental Income 100%

Increase due to income generated from acquired investment property for the current period.

Interest Income (64.20%)

Decrease due to lower average daily cash balance for the current period.

Administrative Expenses (38.38)

Due to decrease in operating expenditures for the current period.

Cost of Rentals 100%

Due to direct operating expense incurred with respect to investment property during the current period.

Income Tax Expense 1,246.72%

Increase due to minimum corporate income tax due for the current period.

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.