

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO
SECTION 20 OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **SUNTRUST HOME DEVELOPERS, INC.**
3. Province, country or other jurisdiction of incorporation or organization:
METRO MANILA, PHILIPPINES
4. SEC Identification Number: **10683**
5. BIR Tax Identification Code: **000-141-166-000**
6. Address of Principal Office:
**26th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue,
Uptown Bonifacio, Taguig City Metro Manila, Philippines**
7. Registrant's telephone number, including area code: **(+632) 894-6300**
8. Date, time and place of the meeting of security holders:
**30 October 2018, 9:00 AM
Eastwood Richmonde Hotel, Eastwood City, Bagumbayan, Quezon City, Metro Manila,
Philippines**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
03 October 2018
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA
(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common stock	2,250,000,000
11. Are any or all of registrant's securities listed in a Stock Exchange? **Yes**
Disclose the name of such Stock Exchange: **Philippine Stock Exchange**



26th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City
Telephone Number: (632) 894-6300

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Suntrust Home Developers, Inc. will be held on 30 OCTOBER 2018 at 9:00 a.m. at the Eastwood Richmond Hotel, Eastwood City, Bagumbayan, Quezon City, Metro Manila, Philippines, with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting
4. Report of Management
5. Appointment of Independent Auditors
6. Ratification of Acts of the Board of Directors, Board Committees, and Management
7. Election of Directors
8. Other Matters
9. Adjournment

The Board has fixed the close of business hours of **21 SEPTEMBER 2018** as the record date for the determination of the stockholders entitled to notice and vote at the meeting.

Taguig City, Metro Manila, Philippines, _____.

ROLANDO D. SIATELA
Corporate Secretary

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE NOT REQUESTED TO SEND US A PROXY**

SAMPLE PROXY ONLY

The undersigned shareholder(s) of **SUNTRUST HOME DEVELOPERS, INC.** (the "Corporation) hereby appoint/s _____ or in his/her absence, the Chairman of the Annual Shareholders' Meeting, as proxy of the undersigned shareholder(s) at the Annual Meeting of Shareholders scheduled on 30 October 2018 at 9:00 in the morning at the Eastwood Richmonde Hotel, Eastwood City, Bagumbayan, Quezon City, Metro Manila, Philippines and/or at any postponement or adjournment thereof, and/or any annual shareholders' meeting of the Company, which appointment shall not exceed five (5) years from date hereof.

The undersigned shareholder(s) hereby direct/s the said proxy to vote all shares on the agenda items set forth below as expressly indicated by marking the same with [√] or [X]:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the Minutes of the Previous Annual Stockholders Meeting			
5	Appointment of Independent Auditors			
6	Ratification of Acts of the Board of Directors, Board Committees, and Management			
7	Election of Directors			
	Ferdinand B. Masi			
	Neoli Mae L. Kho			
	Josephine Marie R. Salazar			
	Antonio C. Pacis			
	Dominic V. Isberto			
	Alejo L. Villanueva, Jr. - Independent Director			
Eugenio B. Reducindo - Independent Director				

PRINTED NAME OF SHAREHOLDER	SIGNATURE OF SHAREHOLDER/ AUTHORIZED SIGNATORY	NUMBER OF SHARES TO BE REPRESENTED	DATE
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This proxy should be received by the Corporate Secretary not later than end of business hours on 25 October 2018.

This proxy when properly executed will be voted in the manner as directed herein by the shareholder. If no direction is made, the proxy will be voted for the election of all nominees and for the approval of all matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement.

A shareholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the shareholder attends the meeting in person and expressed his intention to vote in person.

This proxy does not need to be notarized. (Partnerships, Corporations and Associations must attach certified resolutions thereof designating Proxy/Representative and Authorized Signatories.)

I
INFORMATION STATEMENT
GENERAL INFORMATION

Date, time and place of annual meeting of security holders.

The annual meeting of the stockholders of the Company will be held on 30 October 2018, 9:00 a.m. at the Eastwood Richmonde Hotel, Eastwood City, Bagumbayan, Quezon City, Metro Manila, Philippines.

The Company's complete mailing address is at the 20th Floor Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

Copies of this information statement will be sent on or before 03 October 2018 to all stockholders on record as of 21 September 2018.

The Company is not soliciting proxies. We are not asking for a proxy. Neither are you required to send us a proxy.

Dissenter's Right of Appraisal

There are no matters to be acted upon or proposed corporate action in the agenda for the annual meeting of stockholders that may give rise to possible exercise by a dissenting stockholder of its appraisal rights under Title X of the Corporation Code of the Philippines.

Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (1) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case the Company decides to invest funds in another corporation or business or for any purpose outside of the primary purpose for which it was organized; (3) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, and (4) in case of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. **A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.** Failure to make the demand within the 30-day period shall be deemed a waiver of the appraisal right. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the dissenting shares by the Company, all rights accruing to the dissenting shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the stock certificate(s) representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If the fair value is not determined within sixty (60) days from the date the corporate action was approved by the stockholders, it will be determined by three (3) disinterested persons (one chosen by the Company, another chosen by the dissenting stockholder and the third to be chosen jointly by the Company and the stockholder). The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made. Upon payment by the Company of the awarded price, the dissenting stockholder shall forthwith transfer his shares to the Company.

No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director or officer of the Company or any nominee for election as a director of the Company, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office and the proposed increase in authorized capital stock.

No director of the Company has informed it in writing that he intends to oppose any action to be taken by the Company at the Annual Stockholders' Meeting ("Meeting").

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

Number of Shares Outstanding

As of 31 August 2018, the Company had outstanding shares of 2,250,000,000 common stock. Each common share is entitled to one (1) vote.

Record Date of Meeting

All stockholders on record as of 21 September 2018 will be entitled to notice of, and to vote at, the Meeting.

Cumulative Voting Rights

Each stockholder shall be entitled to one (1) vote with respect to all matters to be taken up during the annual meeting of stockholders, provided that each stockholder shall have cumulative voting rights with respect to the election of the members of the board of directors of the Company. Cumulative voting entitles each stockholder to cumulate his shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or distribute them on the same principle among as many nominees as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Security Ownership of Record and Beneficial Owners of more than 5% of the Company's Voting Stocks as of 31 August 2018:

Title Of Class	Name and Address of Record Owner & Relationship w/ Issuer	Beneficial Owner & Relationship w/ Record Owner	Citizenship	No. of Shares	Percent Owned
Common	Megaworld Corporation ¹ 28/F The World Centre, 330 Sen. Gil Puyat Avenue, Makati City	Megaworld Corporation (also, the record owner)	Filipino	955,834,992	42.48%
Common	PCD NOMINEE CORPORATION ² G/F Makati Stock Exchange Building 6767 Ayala Avenue, Makati City	BDO Securities Corporation 27/F Tower 1 & Exchange Plaza, Ayala Avenue., Makati City	Filipino	692,404,568	30.774%

¹ The Board of Directors appoints the person who has the power to direct the voting and disposition of the shares held by Megaworld Corporation in the Company

² BDO Securities Corporation is a participant of the PCD Nominee Corporation. The beneficial owners of the shares held by BDO Securities, Inc. are not known to the Company.

Common	Townsquare Development, Inc. 28 th Floor The World Centre 330 Sen. Gil Puyat Avenue, Makati City	Townsquare Development, Inc.	Filipino	235,000,000	10.44%
Common	Stanley Ho Hung-Sun c/o Suntrust Home Developers, Inc., 6/F World Centre Building 330 Sen. Gil Puyat Avenue Makati City	Stanley Ho Hung Sun (also the record owner)	Non- Filipino	116,100,000	5.16%

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's voting stock known to the Company.

Security Ownership of Directors and Management as of 31 August 2018:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ferdinand B. Masi	1 (direct)	Filipino	0.00%
Common	Neoli Mae L. Kho	1 (direct)	Filipino	0.00%
Common	Josephine Marie R. Salazar	1 (direct)	Filipino	0.00%
Common	Antonio C. Pacis	1 (direct)	Filipino	0.00%
Common	Dominic V. Isberto	1 (direct)	Filipino	0.00%
Common	Alejo L. Villanueva, Jr.	1 (direct)	Filipino	0.00%
Common	Eugenio B. Reducindo	1 (direct)	Filipino	0.00%
Common	Rolando D. Siatela	0	Filipino	N/A
Common	Ma. Cristina D. Gonzales	0	Filipino	N/A
Common	All directors and executive officers	7 (direct)		0.00%

Voting Trust Holders of 5% or More

The Company has no knowledge of persons holding more than 5% of its voting securities under a voting trust or similar agreement.

Change in Control

The Company has no knowledge of any arrangements among stockholders that may result in a change in control of the Company.

Directors Including Independent Directors and Executive Officers

Incumbent

The following are the incumbent directors and executive officers of the Company:

Name	Age	Citizenship	Present Position
Ferdinand B. Masi	56	Filipino	Chairman of the Board and President and Chief Executive Officer
Neoli Mae L. Kho	34	Filipino	Director and Treasurer
Josephine Marie R. Salazar	58	Filipino	Director
Antonio C. Pacis	78	Filipino	Director

Dominic V. Isberto	43	Filipino	Director, Asst. Corporate Secretary and Asst. Corporate Information Officer
Alejo L. Villanueva, Jr.	77	Filipino	Independent Director
Eugenio B. Reducindo	48	Filipino	Independent Director
Rolando D. Siatela	57	Filipino	Corporate Secretary and Corporate Information Officer
Maria Cristina D. Gonzales	54	Filipino	Compliance Officer

There are seven (7) members of the Company's Board of Directors, two of whom are independent directors. All incumbent directors were elected during the annual meeting of stockholders held on 10 November 2017, except for Antonio C. Pacis and Dominic V. Isberto who were elected last 22 December 2017 to serve the unexpired terms of Felizardo T. Sapno and Giancarlo C. Ng both of whom had resigned without any disagreement with the Company.

Background

Ferdinand B. Masi. Mr. Masi, 56 years old, Filipino, is currently the Chairman and the President of the Company. He was appointed as Chairman of the Board on 09 November 2007 and has served as its President since 09 February 2001. Mr. Masi is a Senior Vice President of Progreen Agricornp, Inc. and General Manager of Consolidated Distillers of the Far East, Inc. and has been connected with the latter since 1983. He is concurrently the Chairman and President of South Point Science Park, Inc. and Good Earth Technologies International, Inc., and Corporate Secretary of First Centro, Inc. He is a Certified Public Accountant and member of the Philippine Institute of Certified Public Accountants. He also finished his MBA from Ateneo Graduate School of Business.

Neoli Mae L. Kho. Ms. Kho, 34 years old, Filipino, is currently the Vice President and the Finance and Administration Head of First Oceanic Property Management, Inc. (FOPM), which handles the property management of various residential and BPO office developments of the Megaworld group, a position she has held since August 2010. Prior to joining FOPM, Ms. Kho was a Manager in the Management Analyst Group of Megaworld Corporation, where she was responsible for auditing and analyzing various transactions of Megaworld and its group of companies and projects ranging from construction, marketing, land acquisitions, and administration. She is concurrently the President of 8 Forbestown Road Association Inc., a Director of One World Center Building Administration, Inc., Treasurer of Eastwood City Estates Association, Inc., and a trustee and officer of several condominium and building associations of Megaworld projects. She has a degree in Bachelor of Science Major in Industrial Economics, Minor in AB Humanities and a Master of Science in Industrial Economics from the University of Asia and the Pacific.

Josephine Marie R. Salazar. Ms. Salazar, 58 years old, Filipino, joined First Oceanic Property Management Inc. (FOPM) as its President in July 2014. She is concurrently the President of Elite Communities Property Services, Inc. and also serves as Board member of Megaworld-Daewoo Development Corporation, McKinley Town Center Estates Association Inc., and Newport City Estates Association Inc. Prior to joining FOPM, Ms. Salazar was a First Vice President of Megaworld Corporation and head of its Operations and Quality Control Management group from 1997 to 2014. Prior to Megaworld, she also held key management positions at Regatta Properties Inc., an ICCP Group (Investment & Capital Corporation of the Philippines) as its Project Development Manager, with Project Management Consultants, Inc. as Director, and with George Ramos & Associates as Designer/Architect. Ms. Salazar is a licensed Architect and affiliated with United Architects of the Philippines, the Professional Regulation Commission Board of Architecture, and the Philippine Association of Building Administrators Inc. She is a member of the Executive Development Academy, Philippines and has received certification with Six Sigma Belt Training. She is a graduate of the University of Santo Tomas with a degree in Bachelor of Sciences in Architecture and also received International Training through the Japanese Architectural & Building Technology Scholarship and The ILO Association of Japan in Chiba Prefecture, Japan, which included a Japanese Language Course in the Chiba Prefecture Central Skill Development Center.

Antonio C. Pacis. Mr. Pacis, 78 years old, Filipino, serves as a Managing Partner in the Pacis & Reyes Law Firm since 1976, where he is involved in counseling clients who are in banking, investments securities, trusts, manufacturing, real estate, construction, exports, insurance, mall operation, telecoms

and education. He is concurrently the Director of Banco de Oro Universal Bank and Alliance Select Foods International, Inc., and a Trustee of Central Colleges of the Philippines. He was previously the Corporate Secretary of Security Bank Corporation and a Lecturer on Corporate Law at Ateneo Law School. He obtained his Bachelor of Laws degree from Ateneo de Manila University, while his Master of Laws degree at Harvard Law School.

Dominic V. Isberto. Mr. Isberto, 43 years old, Filipino, is currently the Vice President for Corporate Compliance of Megaworld Corporation, where he is responsible for compliance with regulatory filings and requirements, negotiation, preparation and review of lease agreements for office and retail tenants and sale agreements for buyers of units and lots, review of loan agreements, and other corporate contracts and agreements, and also handles legal cases. He is concurrently the Corporate Secretary and Assistant Corporate Information Officer of publicly-listed Global-Estate Resorts, Inc. and Corporate Secretary of publicly-listed Alliance Global Group, Inc. and Emperador Inc. and of privately held Twin Lakes Corporation, Suntrust Properties, Inc., Eastwood City Estates Association, Inc. and Fil-Estate Properties. He has a degree in Management Engineering from Ateneo de Manila University and obtained his Bachelor of Laws degree from the University of the Philippines.

Alejo L. Villanueva, Jr. Mr. Villanueva, 77 years old, Filipino was elected as Independent Director on 29 October 2012. He currently serves as Independent Director of Alliance Global Group, Inc., Emperador Inc. and Empire East Land Holdings, Inc. and a Director of First Capital Condominium Corporation, a non-stock non-profit corporation. He is also Chairman of Ruru Courier Systems, Inc. and Vice Chairman of Public Relations Counselors Foundations of the Philippines, Inc. He is a professional consultant who has more than twenty years of experience in the fields of training and development, public relations, community relations, institutional communication, and policy advocacy, among others. He has done consulting work with the Office of the Vice President, the Office of the Senate President, the Commission on Appointments, the Securities and Exchange Commission, the Home Development Mutual Fund, the Home Insurance Guaranty Corporation, Department of Agriculture, Philippine National Railways, International Rice Research Institute, Rustan's Supermarkets, Louis Berger International (USAID-funded projects on Mindanao growth), World Bank (Subic Conversion Program), Ernst & Young (an agricultural productivity project), Chemonics (an agribusiness project of USAID), Price Waterhouse (BOT program, a USAID project), Andersen Consulting (Mindanao 2000, a USAID project), Renardet S.A. (a project on the Privatization of MWSS, with World Bank funding support), Western Mining Corporation, Phelps Dodge Exploration, and Marubeni Corporation. Mr. Villanueva obtained his bachelor's degree in Philosophy from San Beda College, summa cum laude. He has a master's degree in Philosophy from the University of Hawaii under an East-West Center Fellowship. He also took up special studies in the Humanities at Harvard University. He studied Organizational Behavior at INSEAD in Fontainebleau, France. He taught at the Ateneo Graduate School of Business, the UST Graduate School, and the Asian Institute of Journalism.

Eugenio B. Reducindo. Mr. Reducindo, 48 years old, is currently the Managing Director of Choice Gourmet Banquet, Inc., which owns and operates McDonald's stores and used to operate other restaurants like Shanghai Bistro and SoHo Tea House. He has held the position of Managing Director since 2007. As Managing Director, Mr. Reducindo is responsible for the overall operations and management of 11 McDonald's outlets located within Metro Manila and other provinces such as Cebu and Iloilo. Prior to being Managing Director, Mr. Reducindo was a branch manager at Choice Gourmet handling the first McDonald's branch of the company located at Forbestown Center. Mr. Reducindo has considerable experience in the management and operations of quick service and fine dining restaurants, having been involved in the daily operations of a specific branch as well as the overall management and operations of several branches/outlets. He has worked for Golden Arches Development Corporation as branch manager and for McDonald's Egypt as Operations Consultant and for Makati Shangri-La as Assistant Manager for the coffee shop. Mr. Reducindo graduated in 1989 from the Far Eastern University with a degree in AB Communications.

Rolando D. Siatela. Mr. Siatela, 57 years old, Filipino, has served as Corporate Secretary and Corporate Information Officer of the Company since 23 May 2006. He concurrently serves in PSE-listed companies, Alliance Global Group, Inc., Emperador Inc., Megaworld Corporation, and Global-Estate Resorts, Inc. as Assistant Corporate Secretary. He is also the Assistant Vice President for Controllershship of Megaworld Corporation. Prior to joining Megaworld Corporation, he was employed as Administrative and Personnel Officer with Batarasa Consolidated, Inc. He is a member of the board of

Asia Finest Cuisine, Inc. and the Corporate Secretary of ERA Real Estate Exchange, Inc., Oceanic Realty Group International, Inc. and Documentation Officer of Megaworld Foundation.

Maria Cristina D. Gonzales. Ms. Gonzales, 54 years old, Filipino, is the Compliance Officer of the Company. She is presently a First Vice President for Management Services of Megaworld Corporation, a position she has held since 2007. Previously, she was a Vice President for Audit of Megaworld from 1993 to 2007, Audit Manager for Shoemart, Inc. from 1988 to 1993 and Auditor with Sycip, Gorres & Velayo from 1984 to 1987. She is a Certified Public Accountant since 1984 and graduated with a Business Administration degree, Major in Accounting (graduated magna cum laude) from the University of the East.

Directors are elected annually by the stockholders to serve until the election and qualification of their successors. Mr. Ferdinand B. Masi, Ms. Neoli Mae L. Kho, Ms. Josephine Marie R. Salazar, and Independent Directors Mr. Alejo L. Villanueva, Jr. and Mr. Eugenio B. Reducindo, were elected in the last annual stockholders' meeting on 10 November 2017 while Mr. Antonio C. Pacis and Mr. Dominic V. Isberto were elected on 22 December 2017 to serve the unexpired terms of Mr. Felizardo T. Sapno and Mr. Giancarlo C. Ng both of whom had resigned without any disagreement with the Company.

Procedure for Nomination and Election of Independent Directors

Pursuant to Article II, Section 2 of the Company's By-Laws (amended as of August 30, 2005 and November 11, 2005) and the Manual on Corporate Governance revised as of May 30, 2017, the nomination and election of independent directors shall be conducted in accordance with SRC Rule 38. SRC Rule 38 provides that the nomination and election of independent directors shall be conducted in accordance with the following rules:

1. Nomination of independent directors shall be conducted by the Corporate Governance Committee prior to a stockholders' meeting. All recommendations shall be signed by nominating stockholders and shall bear the conformity of the nominees.
2. The Corporate Governance Committee shall pre-screen the nominees and prepare a final list of candidates.
3. The final list of candidates shall contain the business and/or professional experience of the nominees for independent directors, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nominees for independent directors shall be identified in such report including any relationship to the nominees.
4. Only nominees whose names appear in the final list of candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the final list of candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
5. The conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Company in its By-laws, subject to pertinent laws, rules and regulations of the Commission.
6. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure those independent directors are elected during the stockholders' meeting.
7. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The Company is required to have at least two (2) independent directors in its Board of Directors, who are each independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in

carrying out his responsibilities as a director in the Company. An independent director should have at least one (1) share of the Company's common stock, a college graduate or has been engaged or exposed to the business for at least five (5) years and possesses integrity/probity and assiduousness. Pursuant to SEC Memorandum Circular No. 19, Series of 2016, the independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director should be perpetually barred from reelection as such in the Corporation but may continue to qualify for nomination and election as a non-independent director. If the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting.

There shall be no limit in the number of covered companies that a person may be elected as Independent Director, except in business conglomerates where he can be elected to only five (5) companies of the conglomerate, i.e. parent company, subsidiary or affiliate.

Nominees

Directors are elected annually by the stockholders at the annual stockholders' meeting to serve until the election and qualification of their successors. The Corporate Governance Committee composed of Alejo L. Villanueva, Jr. as Chairman and members, Dominic V. Isberto, and Eugenio B. Reducindo, accepts nominees to the Board of Directors, including nominees for independent director. The Committee is responsible for screening and qualifying the list of nominees. The following is the complete list of nominees for members of the Board of Directors:

1. Ferdinand B. Masi
2. Neoli Mae L. Kho
3. Josephine Marie R. Salazar
4. Antonio C. Pacis
5. Dominic V. Isberto
6. Alejo L. Villanueva, Jr. – Independent Director
7. Eugenio B. Reducindo – Independent Director

Independent Directors

This year's nominees for directors include two persons who qualify as independent directors. The President, Mr. Ferdinand B. Masi, nominated the incumbent Independent Director Mr. Eugenio B. Reducindo, while Mr. Dominic V. Isberto nominated the incumbent Independent Director, Mr. Alejo L. Villanueva, Jr., for another term. Messrs. Masi and Reducindo and Messrs. Ng and Villanueva are not related by consanguinity or affinity up to the fourth civil degree. Neither are Messrs. Reducindo and Villanueva acting as representatives of the persons who nominated them. The Corporate Governance Committee reviewed the qualifications of Messrs. Villanueva and Reducindo under the criteria defined by SEC in its Circular No. 16, series of 2002, and they do not possess any of the disqualifications enumerated under the law and in the Code of Corporate Governance (Their respective profiles are presented on the preceding pages). Having found them duly qualified, the Corporate Governance Committee endorsed the nomination of Mr. Alejo L. Villanueva, Jr. and Mr. Eugenio B. Reducindo as candidates for Independent Directors for the ensuing year.

Disagreements with the Company

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Significant Employees

The Company does not have significant employees, i.e., persons who are not executive officers but expected to make significant contribution to the business.

Family Relationships

No director or executive officer is related to each other up to the fourth civil degree whether by consanguinity or affinity.

Involvement in Legal Proceedings

The Company has no knowledge of any of the following events that occurred during the past five (5) years up the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, or executive officer:

1. Any bankruptcy petition filed by or against any business of a director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

Except for the material related party transactions described in the notes to the consolidated financial statements of the Company for the years 2017, 2016 and 2015 (please see elsewhere in here), there has been no material transaction during the last two years, nor is there any material transaction currently proposed, to which the Company was or is to be a party, in which any director or executive officer, any nominee for election as director, stockholder of more than ten percent (10%) of the Company's voting shares, and any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any such director or officer or stockholder of more than ten percent (10%) of the Company's voting shares had or is to have a direct or indirect material interest.

Compensation of Directors and Executive Officers

The principal executive officers of the Company are:

Name	Position
Ferdinand B. Masi	Chairman & President and Chief Executive Officer
Neoli Mae L. Kho	Treasurer
Rolando D. Siatela	Corporate Secretary and Corporate Information Officer
Dominic V. Isberto	Asst. Corporate Secretary and Asst. Corporate Information Officer
Maria Cristina D. Gonzales	Compliance Officer

Compensation of Directors and Executive Officer

The principal executive officers of the Company and members of the Company's Board of Directors did not receive any compensation from the Company for years 2015, 2016 and 2017 and neither will there

be any compensation for the ensuing year. There are no arrangements in force pursuant to which the officers and directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as such officer or director.

There are no standard arrangements pursuant to which directors or officers of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments, for the years 2015, 2016 and 2017 and for the ensuing year. There are no per diems granted to directors for attendance at meetings.

There are no other arrangements, including consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, for the years 2015, 2016 and 2017, and for the ensuing year, for any service provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangement

No employment contracts, termination of employment, or change in control arrangements, were affected for the applicable fiscal year.

Warrants and Options Outstanding

No warrants or stock options are held by the Company's CEO, its named executive officers or directors for years 2015, 2016 and 2017 nor are there plans for extending warrants or options for the ensuing year.

Independent Public Accountants

The Board of Directors of the Company, in consultation with the Audit Committee composed of Alejo L. Villanueva, Jr., as Chairman and Ferdinand B. Masi and Eugenio B. Reducindo as members, will recommend to the stockholders the engagement of Punongbayan & Araullo as external auditors of the Company for 2018.

The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the external auditors are approved by the Company after approval by the stockholders of the engagement and prior to the commencement of each audit season.

In compliance with SEC Memorandum Circular No. 8, Series of 2003, which was subsequently incorporated in SRC Rule 68, paragraph 3(b)(iv), and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, Mr. Renan A. Piamonte of Punongbayan and Araullo was designated as handling partner for the audit of the financial statements of the Company for the year ending 31 December 2017 and will continue as handling partner for 2018. Punongbayan & Araullo was also the auditor of the Company for 2017, 2016 and 2015.

There are no disagreements with auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiary.

Representatives of Punongbayan & Araullo are expected to be present at the Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

External audit fees and services

The fees billed by P&A for each of the last three financial years totaled Php798,000 in 2017, Php775,000 in 2016, and Php760,000 in 2015, in fees for professional services rendered for the audit of the

Company's annual financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for 2017, 2016, and 2015.

There were no separate tax fees billed and no other products and services provided by P&A for the last two fiscal years.

All the above services have been approved by the Company, upon recommendation of the Audit Committee of the Board of Directors composed of Alejo L. Villanueva, Jr. as Chairman and Ferdinand B. Masi and Eugenio B. Reducindo as members.

Changes in and disagreements with accountants on accounting and financial disclosure

P&A, as principal auditors, issued an unqualified opinion on the consolidated financial statements. As such, there had been no disagreements with them on any accounting principles or practices, financial disclosures, and auditing scope or procedure.

Financial Information

Financial Statements of the Company as of 31 December 2017, 2016, and 2015, the Interim Financial Statements of the Company as of 30 June 2018, and the Management's Discussion and Analysis of Results of Operations and Financial Condition for the corresponding periods are contained in the Company's Annual Report to Stockholders and are incorporated herein by reference.

OTHER MATTERS

Action with Respect to Reports

The Minutes of the Annual Meeting of Stockholders held on 10 November 2017 will be submitted to the stockholders for approval. The Minutes will refer to the adoption of stockholder's resolutions pertaining to the following: approval of minutes of the previous annual meeting, appointment of external auditors, ratification of acts and resolutions of the Board of Directors, Board Committees and Management and election of Directors.

The approval or disapproval of the Minutes will constitute merely an approval or disapproval of the correctness of the minutes but will not constitute an approval or disapproval of the matters referred to in the Minutes.

Other Proposed Action

The stockholders will be asked to ratify all resolutions of the Board of Directors and Board Committees, and acts of Management adopted during the period up to the date of this Meeting. These include, among others, approval of financial statements, notices of annual stockholders' meetings, and organization of board committees and election of Board of Directors, designation of authorized contract signatories and representatives, opening and maintenance of bank accounts and other bank transactions, and other similar activities of the Company.

Voting Procedures

Vote Required

In the election of directors, the seven (7) nominees garnering the highest number of votes will be elected as members of the board of directors, provided that there shall always be elected at least two (2) independent directors in the Company's board of directors.

For all other matters proposed to be acted upon, the vote of a majority of the outstanding capital stock will be required for approval.

Method of Counting of Votes

Each holder of common share will be entitled to one (1) vote with respect to all matters to be taken up during the Meeting; provided, that in the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit; provided further, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

There will be seven (7) persons to be elected to the Company's board of directors, including at least two (2) independent directors. In the event that the number of nominees to the board of directors exceeds the number of board seats, voting shall be done by ballot. However, if the number of nominees to the board of directors does not exceed the number of board seats, voting will be done by a show of hands. Election inspectors duly appointed during the meeting shall be responsible for counting the number of votes, subject to validation by representatives of Punongbayan & Araullo, the Company's external auditors.

The Company shall provide, without charge, to each stockholder a copy of its annual report on SEC Form 17-A, upon written request addressed to Suntrust Home Developers, Inc., Attention: Mr. Rolando D. Siatela, Corporate Secretary, 24th Floor Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Taguig City on 27 September 2018.

SUNTRUST HOME DEVELOPERS, INC.

By:

NEOLI MAE L. KHO
Director and Treasurer
(Chief Financial Officer)

**MANAGEMENT REPORT
AS REQUIRED BY SRC RULE 20
INCLUDING FINANCIAL INFORMATION FOR FIRST HALF OF 2018**

OVERVIEW

Suntrust Home Developers, Inc. (the "Company") was incorporated under Philippine laws and registered with the SEC on 18 January 1956 under the name Ramie Textiles, Inc. It was originally authorized to engage in the manufacture and sale of all types of ramie products. The Company's corporate life was extended for another 50 years starting January 18, 2006. The Company has since amended its Articles of Incorporation as it sought to identify investment opportunities that will yield attractive returns. It is presently engaged in the business of a holding company with investments in stocks and other property. The Company owns 100% of the outstanding shares of stock of First Oceanic Property Management, Inc. ("FOPM"), which is engaged in the management of real estate properties consisting of residential and office condominiums and private estates. Some of the properties managed by FOPM include Cambridge Village in Cainta, Eastwood One Central Park and Grand Eastwood Palazzo in Eastwood City, Salcedo Park and The World Centre in Makati, Two World Square and Three World Square in Taguig City. FOPM also holds 100% of the outstanding 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. It plies routes from Eastwood City, in Libis, Quezon City to Newport City, in Villamor Air Base, Pasay via C-5 Road, making it the first bus service to traverse along the said road. It also offers shuttle for hire services to Megaworld Corporation and some of its affiliates and related companies.

Megaworld Corporation, also a publicly listed company in the Philippines, is a substantial shareholder of the Company with 42.48% ownership interest. In 1999, PhP1,200,000,000.00 worth of shares out of the increase in authorized capital stock of the Company were issued to Megaworld in exchange for a parcel of land with improvements with a total area of 7,255.30 square meters located at M.H. del Pilar corner Pedro Gil St., Malate, Manila and with a fair market value of One Billion Two Hundred Million Pesos (PhP1,200,000,000.00). In 2002, Megaworld subscribed to PhP250,000,000 worth of shares out of a PhP1 Billion increase in authorized capital stock of the Company, out of which PhP62,500,000 has been actually paid-up in cash. However, from the years 2000 up to 2003, Megaworld disposed its shares in a series of transactions resulting in its present ownership of 42.48%.

The registered office of the Company, which is also its principal place of business, is located at the 26th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, Metro Manila, Philippines

HISTORY

On 18 January 1956, the Company, then known as Ramie Textiles, Inc. was incorporated to engage in the business of manufacture and sale of all types of ramie products. On 11 February 1959 the Company was listed in The Philippine Stock Exchange, Inc.

On 10 June 1994, the SEC approved the Amendment to the Articles of Incorporation of the Company changing the name from Ramie Textiles Inc. to Gaming Interest and Franchise Technologies, Inc. and its secondary purpose, and including a provision denying pre-emptive rights to existing stockholders for any future issue of shares. Upon its conversion to a holding company, the Company sought to identify investment opportunities which will yield attractive returns.

On 10 April 1995, the Company's name was changed from Gaming Interest and Franchise Technologies, Inc. to Greater Asia Resources Corporation. Subsequently, the Company acquired two (2) parcels of land situated in Tagaytay City with an approximate total area of 510,479 square meters in exchange for 250,000 shares out of its unissued capital stock.

On 11 August 1998, the SEC approved the Amended AOI of the Company changing the name from Greater Asia Resources Corporation to BW Resource Corporation (BWRC). The primary purpose of BWRC is to acquire interests in tourism or leisure-related enterprises, projects, or ventures.

On 17 August 1999, the SEC approved an increase in authorized capital stock of the Company from PhP450,000,000.00 divided into 450,000,000 shares to PhP2,000,000,000.00 divided into 2,000,000,000 shares with a par value of One Peso (1.00) per share. Out of the increase in authorized capital stock, One Billion Two Hundred Million Pesos (PhP1,200,000,000.00) worth of shares were issued to Megaworld Corporation (Megaworld) in exchange for a parcel of land with improvements with a total area of 7,255.30 square meters located at M.H. del Pilar corner Pedro Gil St., Malate Manila and with a fair market value of One Billion Two Hundred Million Pesos (PhP1,200,000,000.00). With the entry of Megaworld, the SEC, on October 3, 2000, approved the change in name from BWRC to Fairmont Holdings, Inc.

On 29 June 2002, the Board of Directors of the Company approved the change of the Company's name from Fairmont Holdings, Inc. to Suntrust Home Developers, Inc. The change of the Company's name was ratified by the stockholders on November 11, 2005 and was approved by the SEC on 10 May 2006. The change in name came hand in hand with a change in the Company's primary purpose or nature of business, from a holding company to a real estate company authorized to engage in real estate development, mass community housing, townhouses and rowhouses development, residential subdivision and other massive horizontal land development. The change in the nature of business of the Company was prompted by the perception that being a holding company no longer appeared to be viable, at least in the next few years. On the same date, the Board likewise approved a PhP1 Billion increase in the Company's authorized capital stock from PhP2,000,000,000 to PhP3,000,000,000 for the purpose of enabling the Company to finance any acquisitions or projects that it may undertake in the future in line with its new corporate purpose. Out of the PhP1 Billion increase, PhP250,000,000 has been actually subscribed while PhP62,500,000 has been actually paid-up in cash by Megaworld Corporation, an existing stockholder of the Company.

Sometime in July 2002, the Company acquired from an affiliate, Empire East Land Holdings, Inc. (EELHI), all of the latter's shareholdings in Empire East Properties, Inc. ("EEPI"). As a result, consolidated financial statements were presented in the third quarter of 2002 and onwards. Prior to such acquisition, EEPI was a wholly-owned subsidiary of EELHI engaged in the development of socialized or low-cost housing projects. In March 2004, the Company's percentage of ownership in EEPI was reduced from 100% to 60% upon the subscription by EELHI to additional shares of stock of EEPI. On 8 July 2008, EEPI changed its name to Suntrust Properties, Inc. ("SPI") and increased its authorized capital stock, with EELHI subscribing to such increase. As a result, the Company's ownership interest in SPI decreased from 60% to 20% and the Company's control over SPI ceased and, as such, SPI was no longer a subsidiary but was considered an associate of the Company. In June 2013, the Company has sold all its remaining shares in SPI.

On 30 August 2005, the Board of Directors of the Company approved the decrease in the number of members of the Board of Directors from eleven to seven directors and the extension of its corporate term for another fifty (50) years from 18 January 2006. These changes to the Articles of Incorporation were ratified by the stockholders of the Company on 11 November 2005 and were approved by the SEC on 10 May 2006.

In September 2011, the Company acquired 100% of the outstanding shares of stock of FOPMI. Consequently, FOPM became the Company's wholly-owned subsidiary and its financial statements were consolidated with the Company's financial statements starting 2011.

FOPM was incorporated and registered with the Philippine Securities and Exchange Commission on January 31, 1990 and is engaged primarily in the management of real estate properties consisting of residential and office condominiums and private estates. FOPM's services are covered by management contracts covering the different properties it manages and these contracts assure it of relatively fixed monthly revenues in the form of administrative/management fees. The acquisition of FOPM was intended to create a new revenue stream for the Company which would complement its existing investments in real estate. FOPM also holds 100% of the outstanding shares of stock of CityLink Coach Services, Inc. (CityLink), which was incorporated and registered with the Philippine Securities and Exchange Commission on November 7, 2006. CityLink is 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.

BUSINESS

The Company, currently, does not have any business operations and is not offering any product or service. The Company currently has no plans for its business operations or to offer any product or service. However, its subsidiary, FOPM, is engaged in property management of residential and office buildings and private estates. FOPM is expected to continue to expand its current operations by adding new properties to its portfolio which will add to its revenue. It is also looking at other business segments that may complement its existing services but has not yet decided on a specific business or service.

FOPM is engaged in property management and provides vital real estate management services for several residential and office condominium buildings and private estates in Metro Manila. These include basic administrative, housekeeping and security services, and special services such as facilities and equipment management, audit and technical support services, finance and account management, and procurement services. FOPM's revenue is primarily generated from management fees it charges in connection with its property management services.

FOPM is very competitive and is determined to perform as the best by assigning dedicated teams to manage over property/building. On-site Property Head, Building Engineer and Accounting Officer/s are assigned to look after each individual property. A pool of experienced professionals – architects, engineers, accountants and other personnel with varying expertise – provides back-up support and services for its individual clients and customer.

CityLink is 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 Company or FOPM is not dependent upon a single or a few customers. No single customer accounts for 20% or more of FOPM's sales.

In normal course of business, the Company entered into transactions with related parties, consisting mainly of advances from related parties for working capital purposes and for the settlement of certain liabilities. For more information, please see Note 14 to the Audited Financial Statements.

The Company does not hold any patent, trademark, copyright, license, franchise, concession or royalty agreement upon which their operations are dependent.

Management Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Review of June 30, 2018 versus June 30, 2017

The Group's total revenues exhibited an increase of Php30.68 million or 12.87% from Php238.44 million in 2017 to Php269.12 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 Php32.17 million or 15.22% from Php211.38 million in 2017 to Php243.54 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 Php1.49 million or 5.50% from Php27.07 million in 2017 to Php25.58 million in 2018.

Review of June 30, 2017 versus June 30, 2016

The Group's total revenues exhibited an increase of Php32.54 million or 15.81% from Php205.90 million in 2016 to Php238.44 million in 2017 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php26.35 million or 14.24% from Php185.02 million in 2016 to Php211.38 million in 2017. Increase in costs and expenses were mainly due to cost of services and operating expenses.

The Group's net profit showed an increase of Php6.19 million or 29.66% from Php20.88 million in 2016 to Php27.07 million in 2017.

Review of June 30, 2016 versus June 30, 2015

The Group's total revenues exhibited an increase of Php35.48 million or 20.82% from Php170.42 million in 2015 to Php205.90 million in 2016 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php27.53 million or 17.48% from Php157.50 million in 2015 to Php185.02 million in 2016. Increase in costs and expenses were mainly due to cost of services and operating expenses.

The Group's net profit showed an increase of Php7.96 million or 61.57% from Php12.92 million in 2015 to Php20.88 million in 2016.

FINANCIAL CONDITION

As of June 30, 2018 and December 31, 2017

The Group's total resources amounted to Php741.97 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 Php38.14 million or 6.86% from Php556.09 million in 2017 to Php594.23 million in 2018. Cash and cash equivalents increased by Php65.49 million or 18.36% from Php356.72 million in 2017 to Php422.21 million in 2018. Due from related parties - net increased by Php0.07 million or 0.12% from Php56.92 million in 2017 to Php56.99 million in 2018.

Non-current assets decreased by Php3.49 million or 2.30% from Php151.22 million in 2017 to Php147.74 million in 2018. Investment property - net decreased by Php0.62 million from

Php26.03 million in 2017 to Php25.41 million in 2018. Property and equipment - net decreased by Php3.08 million or 4.60% from Php66.96 million in 2017 to Php63.88 million in 2018.

Trade and other receivables decreased by Php27.37 million or 20.37% from Php134.36 million in 2017 to Php106.98 million in 2018. Other assets increased by Php0.17 million or 0.65% from Php26.78 million in 2017 to Php26.95 million in 2018.

Current liabilities decreased by Php2.92 million or 1.10% from Php266.00 million in 2017 to Php263.08 million in 2018. Trade and other payables exhibited an increase of Php0.17 million or 0.11% from Php147.76 million in 2017 to Php147.92 million in 2018. Due to related parties increased by Php0.81 million or 0.75% from Php109.18 million in 2017 to

Php110.00 million in 2018. Income tax payable decreased by Php3.90 million or 43.07% from Php9.06 million in 2017 to Php5.16 million in 2018.

Retirement benefit obligation increased by Php12.00 million or 12.23% from Php98.15 million in 2017 to Php110.15 million in 2018.

As of June 30, 2017 and December 31, 2016

The Group's total resources amounted to Php704.39million in 2017 from Php684.38 million in 2016. 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 decreased by Php3.87 million or 0.69% from Php563.02 million in 2016 to Php559.16 million in 2017. Cash and cash equivalents increased by Php10.27 million or 2.86% from Php359.66 million in 2016 to Php369.93 million in 2017. Due from related parties - net decreased by Php0.28 million or 0.45% from Php60.93 million in 2016 to Php60.66 million in 2017.

Non-current assets increased by Php23.88 million or 19.68% from Php121.35 million in 2016 to Php145.24 million in 2017. Investment property - net decreased by Php0.62 million from Php27.27 million in 2016 to Php26.65 million in 2017. Property and equipment - net increased by Php19.16 million or 43.72% from Php43.81 million in 2016 to Php62.97 million in 2017.

Trade and other receivables decreased by Php14.02 million or 10.37% from Php135.24 million in 2016 to Php121.22 million in 2017. Other assets increased by Php5.16 million or 24.21% from Php21.31 million in 2016 to Php26.47 million in 2017.

Current liabilities decreased by Php19.05 million or 6.65% from Php286.55 million in 2016 to Php267.50 million in 2017. Trade and other payables exhibited a decrease of Php14.05 million or 8.23% from Php170.65 million in 2016 to Php156.61 million in 2017. Due to related parties increased by Php0.68 million or 0.62% from Php109.56 million in 2016 to

Php110.24 million in 2017. Income tax payable decreased by Php5.69 million or 89.73% from Php6.34 million in 2016 to Php0.65 million in 2017.

Retirement benefit obligation increased by Php12.00 million or 10.35% from Php115.99 million in 2016 to Php127.99 million in 2017.

As of June 30, 2016 and December 31, 2015

The Group's total resources amounted to Php641.48 million in 2016 from Php563.07 million in 2015. 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 Php69.87 million or 14.86% from Php470.31 million in 2015 to Php540.17 million in 2016. Cash and cash equivalents increased by Php54.75 million or 18.26% from Php299.90 million in 2015 to Php354.64 million in 2016. Due from related parties increased by Php4.86 million or 9.03% from Php53.86 million in 2015 to Php58.72 million in 2016.

Non-current assets increased by Php8.55 million or 9.22% from Php92.76 million in 2015 to Php101.31 million in 2016. Investment property decreased by Php0.62 million from Php28.51 million in 2015 to Php27.89 million in 2016. Property and equipment increased by Php8.50 million or 40.74% from Php20.86 million in 2015 to Php29.36 million in 2016.

Trade and other receivables increased by Php10.63 million or 9.48% from Php112.17 million in 2015 to Php122.80 million in 2016. Other Assets increased by Php0.29 million or 2.55% from Php11.43 million in 2015 to Php11.72 million in 2016.

Current liabilities increased by Php45.54 million or 20.27% from Php224.60 million in 2015 to Php270.14 million in 2016. Trade and other payables exhibited an increase of Php51.73 million or 41.56% from Php124.48 million in 2015 to Php176.21 million in 2016. Due to related parties slightly increased by Php1.95 million or 2.14% from Php91.08 million in 2015 to Php93.03 million in 2016. Income tax payable decreased by Php8.14 million or 90.01% from Php9.05 million in 2015 to Php0.90 million in 2016.

Retirement benefit obligation increased by Php12.00 million or 10.29% from Php116.58 million in 2015 to Php128.58 million in 2016.

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

Statements of Financial Position

18.36% increase in cash and cash equivalents
 Due to timely collection of receivables as of the current period

20.37% decrease in trade and other receivables – current and non-current
 Due to collection of receivables as of current period

43.07% decrease in income tax payable
 Due to payment of prior year income tax due

12.23% increase in retirement benefit obligation
 Due to additional accrual of employee retirement benefits for the current period

Increase/Decrease of 5% or more versus June 30, 2017

Statements of Income

13.90% increase in management fees
 Due to additional properties managed by a subsidiary

16.36% decrease in service income
 Due to lower service income generated by a subsidiary

38.25% increase in rental income
 Due to higher rental income generated by a subsidiary

12.79% decrease in finance and other income
 Due to lower other income generated by a subsidiary

15.41% increase in cost of services
 Due to higher service cost for the current period

19.67% increase in operating expenses
 Due to higher administrative and overhead expenses for the current period

Material Changes in Year 2017 Financial Statements
Increase/Decrease of 5% or more versus December 31, 2016

Statements of Financial Position

10.37% decrease in trade and other receivables – current and non-current
Due to collection of receivables as of current period

43.72% increase in property and equipment - net
Due to additional leasehold improvement during the period

24.21% increase in other assets - net – current and non-current
Due to increase in prepayments and deposits as of the current period

8.23% decrease trade and other payables
Due to settlement of liabilities of a subsidiary

89.73% decrease in income tax payable
Due to payment of prior year income tax due

10.35% increase in retirement benefit obligation
Due to additional accrual of employee retirement benefits for the current period

Increase/Decrease of 5% or more versus June 30, 2016

Statements of Income

14.42% increase in management fees
Due to additional properties managed by a subsidiary as well as the increase in management fee rate

104.17% increase in rental income
Due to higher rental income generated by a subsidiary

14.47% increase in cost of services
Due to higher service cost for the current period

16.66% increase in operating expenses
Due to higher administrative and overhead expenses for the current period

10.41% increase in tax expense - Due to higher taxable income for the current period

Material Changes in Year 2016 Financial Statements
Increase/Decrease of 5% or more versus December 31, 2015

Statements of Financial Position

18.26% increase in cash and cash equivalents
Due to timely collection of receivables as of current period

9.48% increase in trade and other receivables
Due to additional revenues from management fees and rental income as of the current period

9.03% increase in due from related parties Due to additional advances to related parties

40.74% increase in property and equipment Mainly due to additional bus units purchased

41.56% increase in trade and other payables
Due to increase in trade payable and accrued expenses as of the current period

90.01% decrease in income tax payable
Due to payment of income tax payable for the previous period.

10.29% increase in retirement benefit obligation
Due to additional accrual of employee retirement benefits for the current period

Increase/Decrease of 5% or more versus June 30, 2015

Statements of Income

15.09% increase in management fees
Due to additional properties managed by the subsidiary

144.78% increase in service income
Due to higher service income generated by the subsidiary

20.19% increase in rental income
Due to higher rental income generated by the subsidiary

108.02% increase in finance income
Due to higher interest income generated by the subsidiary

13.75% increase in cost of services
Due to additional properties managed by the subsidiary

20.73% increase in operating expenses
Due to higher administrative and overhead expenses for the current period

37.18% increase in finance costs
Due to higher interest expense on retirement benefits obligation

46.25% increase in tax expense
Due to higher taxable income for the current period

KEY PERFORMANCE INDICATORS

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

	June 30, 2018	December 31, 2017
Current Ratio *1	2.26 : 1.00	2.09 : 1.00
Quick Ratio *2	1.60 : 1.00	1.34 : 1.00
Debt to Equity Ratio *3	1.01 : 1.00	1.06 : 1.00
		June 30, 2017
Return on Assets *4	3.53%	3.90%
Return on Equity *5	7.19%	9.16%

*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.

2017 vs. 2016

RESULTS OF OPERATIONS

Twelve months ended December 31, 2017 compared to Twelve months ended December 31, 2016

The Group's total revenues exhibited an increase of Php117.96 million or 28.26% from Php417.35 million in 2016 to Php535.31 million in 2017 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php103.68 million or 28.03% from Php369.90 million in 2016 to Php473.58 million in 2017. Increase in costs and expenses were mainly due to cost of services and operating expenses.

The Group's net profit showed an increase of Php14.28 million or 30.09% from Php47.45 million in 2016 to Php61.73 million in 2017.

FINANCIAL CONDITION

As of December 31, 2017 and December 31, 2016

The Group's total resources amounted to Php707.31 million in 2017 from Php684.38 million in 2016. 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 decreased by Php6.94 million or 1.23% from Php563.02 million in 2016 to Php556.09 million in 2017. Cash and cash equivalents decreased by Php2.94 million or 0.82% from Php359.66 million in 2016 to Php356.72 million in 2017. Due from related parties decreased by Php4.01 million or 6.58% from Php60.93 million in 2016 to Php56.92 million in 2017.

Non-current assets increased by Php29.87 million or 24.61% from Php121.35 million in 2016 to Php151.22 million in 2017. Investment property decreased by Php1.24 million from Php27.27 million in 2016 to Php26.03 million in 2017. Property and equipment increased by Php23.14 million or 52.82% from Php43.81 million in 2016 to Php66.96 million in 2017.

Trade and other receivables decreased by Php0.88 million or 0.65% from Php135.24 million in 2016 to Php134.36 million in 2017. Other assets increased by Php5.47 million or 25.67% from Php21.31 million in 2016 to Php26.78 million in 2017.

Current liabilities decreased by Php20.55 million or 7.17% from Php286.55 million in 2016 to Php266.00 million in 2017. Trade and other payables exhibited a decrease of Php22.90 million or 13.42% from Php170.65 million in 2016 to Php147.76 million in 2017. Due to related parties decreased by Php0.38 million or 0.35% from Php109.56 million in 2016 to Php109.18 million in 2017. Income tax payable increased by Php2.73 million or 43.02% from Php6.34 million in 2016 to Php9.06 million in 2017.

Retirement benefit obligation decreased by Php17.84 million or 15.38% from Php115.99 million in 2016 to Php98.15 million in 2017.

**Material Changes in the Financial Statements Items:
Increase/Decrease of 5% or more versus December 31, 2016**

Statements of Financial Position

6.58% decrease in due from related parties

Due to collection of advances to related parties

52.82% increase in property and equipment

Due to additional leasehold improvements of a subsidiary during the year

9.35% increase in deferred tax assets

Pertains to tax effects of taxable and deductible temporary differences

25.67% increase in other assets - net - current and non-current

Due to increase in prepayments and deposits of a subsidiary

13.42% decrease in trade and other payables

Due to settlement of liabilities of a subsidiary

43.02% increase in income tax payable

Due to higher taxable income for the current year

Increase/Decrease of 5% or more versus December 31, 2016

Statements of Income

30.01% increase in management fees

Due to additional properties managed by a subsidiary as well as the increase in management fee rate

5.11% decrease in service income

Due to lower service income generated by a subsidiary

55.90% increase in rental income

Due to higher rental income generated by a subsidiary

22.52% increase in cost of services

Due to higher service costs for the year

16.23% increase in operating expenses

Due to higher administrative and overhead expenses for the year

320.48% increase in finance costs

Primarily due to impairment losses recognized for the year

42.04% increase in tax expense

Due to higher taxable income for the year

KEY PERFORMANCE INDICATORS

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

	December 31, 2017	December 31, 2016
Current Ratio *1	2.09 : 1.00	1.96 : 1.00
Quick Ratio *2	1.34 : 1.00	1.26 : 1.00
Debt to Equity Ratio *3	1.06 : 1.00	1.43 : 1.00
Return on Assets *4	8.87%	7.61%
Return on Equity *5	19.75%	18.84%

*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 year 2017.

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.

2016 vs. 2015

RESULTS OF OPERATIONS

Twelve months ended December 31, 2016 compared to Twelve months ended December 31, 2015

The Group's total revenues exhibited an increase of Php52.28 million or 14.32% from Php365.07 million in 2015 to Php417.35 million in 2016 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php41.41 million or 12.60% from Php328.49 million in 2015 to Php369.90 million in 2016. Increase in costs and expenses were mainly due to cost of services and operating expenses.

The Group's net profit showed an increase of Php10.88 million or 29.74% from Php36.58 million in 2015 to Php47.45 million in 2016.

FINANCIAL CONDITION

As of December 31, 2016 and December 31, 2015

The Group's total resources amounted to Php684.38 million in 2016 from Php563.07 million in 2015. 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 Php92.72 million or 19.71% from Php470.31 million in 2015 to Php563.02 million in 2016. Cash and cash equivalents increased by Php59.76 million or 19.93% from Php299.90 million in 2015 to Php359.66 million in 2016. Due from related parties increased by Php7.07 million or 13.13% from Php53.86 million in 2015 to Php60.93 million in 2016.

Non-current assets increased by Php28.60 million or 30.83% from Php92.76 million in 2015 to Php121.35 million in 2016. Investment property decreased by Php1.24 million from Php28.51 million in 2015 to Php27.27 million in 2016. Property and equipment increased by Php22.95 million or 109.99% from Php20.86 million in 2015 to Php43.81 million in 2016.

Trade and other receivables increased by Php23.07 million or 20.57% from Php112.17 million in 2015 to Php135.24 million in 2016. Other assets increased by Php9.90 million or 86.48% from Php11.43 million in 2015 to Php21.31 million in 2016.

Current liabilities increased by Php61.95 million or 27.58% from Php224.60 million in 2015 to Php286.55 million in 2016. Trade and other payables exhibited an increase of Php46.18 million or 37.09% from Php124.48 million in 2015 to Php170.65 million in 2016. Due to related parties increased by Php18.49 million or 20.30% from Php91.08 million in 2015 to Php109.56 million in 2016. Income tax payable decreased by Php2.71 million or 29.97% from Php9.05 million in 2015 to Php6.34 million in 2016.

Retirement benefit obligation decreased by Php0.60 million or 0.51% from Php116.58 million in 2015 to Php115.99 million in 2016.

**Material Changes in the Financial Statements Items:
Increase/Decrease of 5% or more versus December 31, 2015**

Statements of Financial Position

Cash and Cash Equivalents 19.93%

Increase was due to timely collection of receivables

Trade and other receivables 20.57%

Increase was due to additional revenues from management fees

Due from related parties 13.13%

Increase was due to additional advances to related parties

Property and Equipment 109.99%

Increase was mainly due to additional bus units acquired

Other Assets 86.48%

Increase was due to additional intangible assets

Trade and other payables 37.09%

Increase was due to trade payable and accrued expenses

Due to related parties 20.30%

Increase was due to additional advances obtained by a subsidiary

Income tax payable (29.97%)

Decrease was due to payment of prior year income tax due

Increase/Decrease of 5% or more versus December 31, 2015

Statements of Income

Management Fees 8.97%

Increase was due to additional properties managed by a subsidiary as well as the increase in management fee rate

Service Income 84.32%

Increase was due to higher service income generated by a subsidiary

Rental Income 67.36%

Increase was due to higher rental income generated by a subsidiary

Finance and Other Income 73.93%

Increase was due to higher miscellaneous income generated by a subsidiary

Cost of Services 26.67%

Increase was due to higher service costs for the period

Operating Expenses 18.35%

Increase was due to higher administrative and overhead expenses for the period

Tax Expense (11.84%)

Decrease was due to lower taxable income for the period

KEY PERFORMANCE INDICATORS

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

	December 31, 2016	December 31, 2015
Current Ratio *1	1.96 : 1.00	2.09 : 1.00
Quick Ratio *2	1.26 : 1.00	1.34 : 1.00
Debt to Equity Ratio *3	1.43 : 1.00	1.54 : 1.00
Return on Assets *4	7.61%	6.94%
Return on Equity *5	18.84%	19.85%

*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 year 2016.

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.

2015 vs. 2014

RESULTS OF OPERATIONS

Twelve months ended December 31, 2015 compared to Twelve months ended December 31, 2014

The Group's total revenues exhibited an increase of Php57.80 million or 18.81% from Php307.26 million in 2014 to Php365.07 million in 2015 of the same period. Total revenues mostly came from management fees, service income and rental income.

Costs and expenses exhibited an increase of Php50.05 million or 17.97% from Php278.44 million in 2014 to Php328.49 million in 2015. Increase in costs and expenses were mainly due to operating expenses, finance costs and tax expenses.

The Group's net profit showed an increase of Php7.76 million or 26.92% from Php28.82 million in 2014 to Php36.58 million in 2015.

FINANCIAL CONDITION

As of December 31, 2015 and December 31, 2014

The Group's total resources amounted to Php563.07 million in 2015 from Php491.41 million in 2014. 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 Php90.51 million or 23.83% from Php379.80 million in 2014 to Php470.31 million in 2015. Cash and cash equivalents increased by Php69.23 million or 30.02% from Php230.66 million in 2014 to Php299.90 million in 2015. Due from related parties increased by Php7.59 million or 16.41% from Php46.27 million in 2014 to Php53.86 million in 2015.

Non-current assets decreased by Php18.85 million or 16.89% from Php111.61 million in 2014 to Php92.76 million in 2015. Investment property decreased by Php1.24 million from Php29.75 million in 2014 to Php28.51 million in 2015. Property and equipment decreased by Php2.23 million or 9.65% from Php23.09 million in 2014 to Php20.86 million in 2015.

Trade and other receivables increased by Php15.43 million or 15.94% from Php96.74 million in 2014 to Php112.17 million in 2015. Other assets decreased by Php1.65 million or 12.63% from Php13.08 million in 2014 to Php11.43 million in 2015.

Current liabilities increased by Php37.44 million or 20.00% from Php187.16 million in 2014 to Php224.60 million in 2015. Trade and other payables exhibited an increase of Php37.22 million or 42.66% from Php87.25 million in 2014 to Php124.48 million in 2015. Due to related parties slightly increased by Php0.37 million or 0.41% from Php90.70 million in 2014 to Php91.08 million in 2015. Income tax payable decreased by Php0.16 million or 1.73% from Php9.21 million in 2014 to Php9.05 million in 2015.

Retirement benefit obligation decreased by Php41.10 million or 26.07% from Php157.69 million in 2014 to Php116.58 million in 2015.

**Material Changes in the Financial Statements Items:
Increase/(Decrease) of 5% or more versus December 31, 2014**

Statements of Financial Position

Cash and Cash Equivalents 30.02%

Increase was due to timely collection of receivables as of current period.

Trade and other receivables 15.94%

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

Due from related parties 16.41%

Increase was due to additional advances to related parties.

Property and Equipment (9.65%)

Decrease was mainly due to depreciation for the current period.

Deferred Tax Assets (29.87%)

Decrease was mainly due to effects of taxable and deductible temporary differences.

Other Assets (12.63%)

Decrease was due to lower prepayments.

Trade and other payables 42.66%

Increase was due to trade payable and accrued expenses as of the current period.

Retirement benefit obligation (26.07%)

Decrease was mainly due to lower recognized liabilities on employee benefits.

Increase/Decrease of 5% or more versus December 31, 2014

Statements of Income

Management Fees 20.36%

Increase was due to additional properties managed by the subsidiary as well as the increase in management fee rate.

Rental Income 8.60%

Increase was due to higher rental income generated by the subsidiary.

Finance Income 19.41%

Increase was due to higher interest income generated by the company.

Operating Expenses 28.13%

Increase was due to higher administrative and overhead expenses for the current period.

Finance Cost 124.39%

Increase was due to impairment loss on receivables recognized by the subsidiary.

Tax Expense 62.35%

Increase was due to higher taxable income for the current period.

KEY PERFORMANCE INDICATORS

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

	December 31, 2015	December 31, 2014
Current Ratio *1	2.09 : 1.00	2.03 : 1.00
Quick Ratio *2	1.34 : 1.00	1.23 : 1.00
Debt to Equity Ratio *3	1.54 : 1.00	2.35 : 1.00
Return on Assets *4	6.94%	6.46%
Return on Equity *5	19.85%	21.03%

*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 year 2015.

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.

Market Price of and Dividends on the Company's Common Shares**Market Information**

The Company's common shares are traded on the Philippine Stock Exchange. The closing price of the said shares as of 25 September 2018 was Php0.75. The trading prices of the said shares for each quarter within the last two years and subsequent interim period are set forth below:

Year		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High	1.28	1.38	1.18	1.03
	Low	0.70	0.95	0.97	0.80
2017	High	1.04	0.95	0.99	0.90
	Low	0.84	0.86	0.85	0.81
2018	High	0.92	0.88		
	Low	0.80	0.75		

Shareholders

There are 1,598 holders of the Company's 2,250,000,000 outstanding shares of common stock. Below is a list of the top twenty holders of the Company's shares of common stock as of 31 August 2018.

Rank	Name	No. Of Shares	Percentage Of Ownership
1.	Megaworld Corporation	955,834,992	42.48%
2.	PCD Nominee Corp. (Filipino)	692,404,568	30.77%
3.	Townsquare Development, Inc.	235,000,000	10.44%
4.	Stanley Ho Hung Sun	116,100,000	5.16%
5.	First Centro. Inc.	102,987,000	4.58%
6.	The Andresons Group, Inc.	89,460,000	3.98%
7.	EBC PCI TA NO. 203-53106-5	17,000,000	0.76%
8.	PCD Nominee Corp. (Non-Filipino)	14,736,566	0.65%
9.	Lucio L. Co	4,082,563	0.18%
10.	Genevieve Go	1,300,000	0.06%
11.	PCCI Securities Brokers Corp.	1,000,000	0.04%
12.	Romulo P. Ney	555,000	0.02%
13.	Larcy Marichi Y. So &/Or Hanson G. So 601125	513,700	0.02%
14.	Yap Sik Kieong	500,000	0.02%
15.	Luciano H. Tan	450,000	0.02%
16.	Pablo M. Silva	437,499	0.02%
17.	Hanson G. So	400,000	0.02%
18.	Jaime Dy &/Or Juliet Dy	399,000	0.02%
19.	Francis L. Dy &/Or Ingrid S.	385,500	0.02%
20.	Peter Ty	357,000	0.02%

Dividends

The deficit of the Company and its cash position did not merit any declaration of dividends for the last two fiscal years.

The payment of dividends in the future will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company, with its capital unimpaired, which are not appropriated for any other purpose.

The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds (2/3) of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

The Corporation Code prohibits stock corporations from retaining surplus profits in excess of one hundred per cent (100%) of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

Recent Sales of Unregistered Securities

In the past three (3) years, the Company has not undertaken any sale of unregistered or exempt securities, or issued securities constituting an exempt transaction.

Compliance with Leading Practices on Corporate Governance

In 2002, the Company adopted a Manual on Corporate Governance in order to institutionalize the rules and principles of good corporate governance in the entire organization in accordance with the Code of Corporate Governance promulgated by SEC. A revised Manual was adopted by the Company on 2014 pursuant to SEC Memorandum Circular No. 6, Series of 2009 and as amended by SEC Memorandum Circular No. 9, Series of 2014. The Manual was further revised and adopted by the Company on May 30, 2017 pursuant to SEC Memorandum Circular No. 19, Series of 2016.

Corporate Governance Committee

The Company's Corporate Governance Committee is responsible for assisting the Board in the performance of its corporate governance responsibilities, as well as establishing formal and transparent procedure to develop a policy for determining the remuneration of directors and officers, and determining the nomination and election process for the Corporation's directors and the general profile of board members that the Corporation may need to ensure that appropriate knowledge, competencies and expertise that complement the existing skills of the Board. This Committee shall be composed of three (3) members, two of whom are independent directors, including the Chairman.

Board Risk Oversight Committee

The Company's Board Risk Oversight Committee is responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness. This Committee shall be composed of three (3) members of the Board, the majority of whom are independent directors, including the Chairman.

Audit Committee

The Company's Audit Committee is responsible for ensuring that all financial reports comply with internal financial management and accounting standards, performing oversight financial management

functions, pre-approving all audit plans, scope and frequency and performing direct interface functions with internal and external auditors. This Committee has three members, two of whom are independent directors. An independent director serves as the head of the committee.

Related Party Transaction Committee

The Company's Related Party Transaction Committee is responsible for reviewing all material related party transactions of the Corporation, including evaluating on ongoing basis existing relations between and among business and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. This Committee shall be composed of three directors, two of whom are independent directors, including the Chairman.

In 2017, the Directors and officers of the Company were required to take a Corporate Governance Orientation course and are encouraged to undergo further training in corporate governance.

The Company likewise complies with its Manual on Corporate Governance requirement that it rotate its external auditor or change the handling partner every five (5) years or earlier.

Evaluation System

The Company has designated a Compliance Officer who is tasked with monitoring compliance with the provisions of its Manual of Corporate Governance. The Compliance Officer, who is directly reporting to the Chairman of the Board, has established an evaluation system to measure or determine the level of compliance by the Company with its Manual. A Self-Rating System on Corporate Governance was implemented and submitted to SEC and PSE in July 2003.

Deviations from Manual and Sanctions Imposed

In 2017, the Company substantially complied with its Manual of Corporate Governance and did not materially deviate from its provisions. No sanctions have been imposed on any director, officer or employee on account of non-compliance.

Plan to Improve Corporate Governance

Pursuant to SEC Memorandum Circular No. 6, Series of 2009 and as amended by SEC Memorandum Circular No. 9, Series of 2014, the Company has revised its Manual of Corporate Governance to make its provision compliant with the Revised Code of Corporate Governance. The Manual was further revised and adopted by the Company on May 30, 2017 pursuant to the SEC Memorandum Circular No. 19, Series of 2016.

Among the measures undertaken by the Company in order to fully comply with the provisions of the leading practices on good corporate governance adopted in its Manual on Corporate Governance are monitoring and evaluation of the internal control system for corporate governance. The Company likewise maintains an active website where its Annual Reports, Quarterly Reports, Financial Statements and other disclosures are uploaded for easy access and reference by the investing public. The Company is committed to good corporate governance and continues to improve and enhance the evaluation system for purposes of determining the level of compliance by the Company with its Manual on Corporate Governance.

UNDERTAKING

The Company undertakes to provide without charge to a stockholder a copy of the Annual Report on SEC Form 17-A upon written request address to ROLANDO D. SIATELA, Corporate Secretary and Information Officer, Suntrust Home Developers, Inc., 24th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City 1634.