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**SUNCITY GROUP HOLDINGS LIMITED**

**太陽城集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1383)**

**Overseas Regulatory Announcement:  
by an overseas listed subsidiary**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Suntrust Home Developers, Inc., an overseas listed subsidiary of Suncity Group Holdings Limited listed on The Philippine Stock Exchange, Inc. (“PSE”), has published its quarterly report for the three months ended 31 March 2021 (the “**1st Quarterly Report**”) on the website of PSE on 14 May 2021. For details, please refer to the attached 1st Quarterly Report.

By order of the Board  
**Suncity Group Holdings Limited**  
**Chau Cheok Wa**  
*Chairman*

Hong Kong, 14 May 2021

*As at the date of this announcement, the executive Directors are Mr. Chau Cheok Wa, Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.*

1 0 6 8 3

S.E.C. Registration Number

S U N T R U S T H O M E  
D E V E L O P E R S , I N C .

(Company's Full Name)

2 6 T H F L R . A L L I A N C E G L O B A L  
T O W E R . 3 6 T H S T . C O R . 1 1 T H  
A V E N U E U P T O W N B O N I F A C I O  
T A G U I G C I T Y . M E T R O M A N I L A

(Business Address: No. Street City/ Town/ Province)

**NELILEEN S. BAXA**

Contact Person

**(623) 894-6300**

Company Telephone Number

1 2

Month Day  
Fiscal Year

3 1

S E C F O R M 1 7 - Q

FORM TYPE

10

Month Day  
Annual Meeting

**Last Tuesday**

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_  
LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

# SUNTRUST HOME DEVELOPERS, INC.

26<sup>th</sup> Floor, Alliance Global Tower, 36<sup>th</sup> Street corner 11<sup>th</sup> Avenue, Uptown Bonifacio,  
Taguig City, 1634, Metro Manila, Philippines  
Tel: (632) 894-6300

## SECURITIES AND EXCHANGE COMMISSION

### SEC FORM 17-Q

#### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2 (b) THEREUNDER

1. For the quarterly period ended **31 March 2021**
2. SEC Identification Number: **10683**      3. BIR Tax Identification Number: **000-141-166**
4. **SUNTRUST HOME DEVELOPERS, INC.**  
Exact name of issuer as specified in its charter
5. **Metro Manila, Philippines**  
Province, Country, or other jurisdiction of incorporation or organization
6.                      (SEC Use Only)  
Industry Classification Code:
7. **26<sup>th</sup> Floor, Alliance Global Tower, 36<sup>th</sup> Street corner 11<sup>th</sup> Avenue, Uptown Bonifacio, Taguig City 1634**  
Address of issuer's principal office
8. **(632) 8 894-6300**  
Issuer's Telephone Number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

TITLE OF EACH CLASS	NUMBER OF SHARES OF COMMON STOCK OUTSTANDING
Common	7,250,000,000

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

Yes                       No

**Philippine Stock Exchange**

**Common Shares**

11. Indicate by check mark whether the registrant:

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

Yes                       No

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

Yes                       No

**PART I - FINANCIAL INFORMATION**

- Item 1. Financial Statements
  - 1. Consolidated Statements of Financial Position (Exhibit 1)
  - 2. Consolidated Statements of Income (Exhibit 2)
  - 3. Consolidated Statements of Changes in Equity (Exhibit 3)
  - 4. Statements of Cash Flows (Exhibit 4)
  - 5. Notes to Interim Financial Statements (Exhibit 5)
  
- Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition  
  
Please see Exhibit 6
  
- Item 3. Aging of Accounts Receivable  
  
Please see attached hereto as Exhibit 7
  
- Item 4. Schedule of Financial Soundness Indicators  
  
Please see Exhibit 8

**PART II - OTHER INFORMATION**

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

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**SUNTRUST HOME DEVELOPERS, INC.**  
Issuer

By:



**NEOLLMAE L. KHO**  
Treasurer (Principal Financial Officer  
and Duly Authorized Officer)  
May 14, 2021

**EXHIBIT 1**

**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of Fortune Noble Limited)*  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2021 AND DECEMBER 31, 2020**  
*(Amounts in Philippine Pesos)*

<b>A S S E T S</b>	<b>Unaudited March 31, 2021</b>	<b>Audited December 31, 2020</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	P 3,710,493,737	P 5,877,616,276
Due from related parties	27,382,014	27,382,014
Other current assets	<u>313,052,385</u>	<u>29,437,269</u>
Total Current Assets	<u>4,050,928,136</u>	<u>5,934,435,559</u>
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	-	153,728,294
Right-of-use asset - net	14,271,812,762	14,429,698,406
Deposits for property and equipment	1,388,516,376	-
Property and equipment - net	<u>2,939,191,697</u>	<u>1,976,103,364</u>
Total Non-current Assets	<u>18,599,520,835</u>	<u>16,559,530,064</u>
<b>NON-CURRENT ASSET HELD FOR SALE</b>	<u>150,492,152</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>P 22,800,941,123</b></u>	<u><b>P 22,493,965,623</b></u>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	P 516,856,598	P 292,499,838
Lease liability	25,394,835	-
Due to related parties	<u>143,243,384</u>	<u>58,378,962</u>
Total Current Liabilities	<u>685,494,817</u>	<u>350,878,800</u>
<b>NON-CURRENT LIABILITIES</b>		
Convertible bonds payable	8,368,024,190	8,197,353,930
Lease liabilities	<u>5,726,130,118</u>	<u>5,618,666,948</u>
Total Non-current Liabilities	<u>14,094,154,308</u>	<u>13,816,020,878</u>
Total Liabilities	<u>14,779,649,125</u>	<u>14,166,899,678</u>
<b>EQUITY</b>	<u>8,021,291,998</u>	<u>8,327,065,945</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>P 22,800,941,123</b></u>	<u><b>P 22,493,965,623</b></u>

**EXHIBIT 2**

**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of Fortune Noble Limited)*  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020**  
*(Amounts in Philippine Pesos)*

	Unaudited March 31, 2021	Unaudited March 31, 2020
<b>EXPENSES</b>		
Operating expenses	P 20,309,182	P 23,377,298
Finance costs	247,913,847	-
Foreign exchange loss	41,664,329	-
Tax expense	<u>406,735</u>	<u>296,332</u>
	<u>310,294,093</u>	<u>23,673,630</u>
<b>OTHER INCOME (LOSS)</b>		
Finance and other income	2,038,050	1,481,659
Equity in net earnings (loss) of an associate	( <u>3,236,143</u> )	( <u>1,524,788</u> )
	( <u>1,198,093</u> )	( <u>3,006,447</u> )
<b>NET LOSS</b>	( <u>P 311,492,186</u> )	( <u>P 20,667,183</u> )
<b>Loss Per Share –</b>		
<b>Basic and Diluted</b>	( <u>P 0.0430</u> )	( <u>P 0.0029</u> )

**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of Fortune Noble Limited)*  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020**  
*(Amounts in Philippine Pesos)*

	<u>Capital Stock</u>	<u>Convertible Bonds Equity Reserve</u>	<u>Exchange Reserve</u>	<u>Revaluation Reserve</u>	<u>Deficit</u>	<u>Total Equity</u>
Balance at January 1, 2021	P 5,862,500,010	P 4,592,867,070	P 4,336,876	P 460,033	( P 2,133,098,044 )	P 8,327,065,945
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>5,718,239</u>	<u>-</u>	<u>( 311,492,186 )</u>	<u>( 305,773,947 )</u>
Balance at March 31, 2021 (Unaudited)	<b><u>P 5,862,500,010</u></b>	<b><u>P 4,592,867,070</u></b>	<b><u>P 10,055,115</u></b>	<b><u>P 460,033</u></b>	<b><u>( P 2,444,590,230 )</u></b>	<b><u>P 8,021,291,998</u></b>
Balance at January 1, 2020	P 3,312,500,000	P -	P -	P 460,033	( P 1,921,552,776 )	P 1,391,407,257
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 20,667,183 )</u>	<u>( 20,667,183 )</u>
Balance at March 31, 2020 (Unaudited)	<b><u>P 3,312,500,000</u></b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 460,033</u></b>	<b><u>( P 1,942,219,959 )</u></b>	<b><u>P 1,370,740,074</u></b>

**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of Fortune Noble Limited)*  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020**  
*(Amounts in Philippine Pesos)*

	Unaudited March 31, 2021	Unaudited March 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	( P 311,085,451 )	( P 20,370,851 )
Adjustments for:		
Depreciation and amortization	4,355,565	29,702
Unrealized foreign exchange loss	41,638,365	-
Finance income	( 2,038,050 )	( 1,481,659 )
Equity in net loss (earnings) of an associate	3,236,142	( 1,524,788 )
Finance costs	247,913,847	-
Operating loss before working capital changes	( 15,979,582 )	( 23,347,596 )
Increase in other current assets	( 283,434,653 )	( 464,621 )
Increase (decrease) in trade and other payables	224,402,327	( 52,162,202 )
Cash used in operations	( 75,011,908 )	( 75,974,419 )
Interest received	2,038,050	1,502,315
Cash paid for taxes	( 406,735 )	( 296,332 )
 Cash flow used in operating activities	 ( 73,380,593 )	 ( 74,768,436 )
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	( 706,337,065 )	( 667,006 )
Placement for deposits for property and equipment	( 1,388,516,376 )	( 1,018,840,000 )
 Cash flow used in investing activities	 ( 2,094,853,441 )	 ( 1,019,507,006 )
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Payments of lease liabilities	( 4,380,714 )	-
Increase in due to related parties	-	1,355,368
 Cash flow from (used in) financing activities	 ( 4,380,714 )	 1,355,368
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>( 2,172,614,748 )</b>	<b>( 1,092,920,074 )</b>
<b>EFFECTS ON FOREIGN EXCHANGE RATE CHANGES</b>	<b>5,492,209</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>5,877,616,276</b>	<b>1,278,214,939</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>P 3,710,493,737</b>	<b>P 185,294,865</b>



**SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES**  
*(A Subsidiary of Fortune Noble Limited)*  
**NOTES TO INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**  
**(UNAUDITED)**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE INFORMATION**

***1.1 Company Background***

Suntrust Home Developers, Inc. (Parent Company or Suntrust) was incorporated in the Philippines on January 18, 1956 (extended for another 50 years starting January 18, 2006) to primarily engage in real estate development. The Parent Company is a publicly listed entity in the Philippines. On October 25, 2019 and December 17, 2019, respectively, the Board of Directors (BOD) and stockholders approved the amendment of the Company's primary and secondary purposes, as presented in the Articles of Incorporation, to allow the Company to focus on tourism-related businesses. This change was subsequently approved by the Philippine Securities and Exchange Commission (SEC) on June 17, 2020.

In line with the change in business plans to enter into tourism-related businesses, a co-development agreement (CDA) was entered into by the Parent Company and Westside City Resorts World, Inc. (Westside), a related party under common ownership to continue the latter's development, construction, operation and management of casino and related businesses. Subject to the completion of commitments from both sides, which were satisfied in December 2020, the Parent Company paid US\$200 million for the reimbursement of construction works previously incurred by the related party and usage of the property during the construction period. The payment has been initially treated as refundable deposit until the completion of commitments from both entities at which time the amount was allocated between construction in progress (CIP) and right-of-use asset (ROUA).

Megaworld Corporation (Megaworld), also a publicly listed company in the Philippines, used to be the Parent Company's major stockholder with 42% direct ownership interest in the Parent Company until the acquisition by Fortune Noble Limited (Fortune Noble) in 2019 of an aggregate of 1,147,500,000 shares of the Parent Company representing 51% interest over the latter. Accordingly, Fortune Noble became the parent company of Suntrust. Fortune Noble is incorporated in the British Virgin Islands and is a subsidiary of Suncity Group Holdings Limited (Suncity), a publicly listed company in Hong Kong. Suncity and its subsidiaries are currently engaged in the development of residential and commercial properties as well as leasing of commercial properties, provision of hotel and integrated resort general consultancy services and provision of travel related products and services. The ultimate parent company is Fame Select Limited (Fame Select), a private company incorporated in the British Virgin Islands and is primarily engaged in investment holding.

On 25 March 2021, an agreement for sale and purchase (FOPM SP Agreement) was entered into between the Parent Company and Asian E-Commerce, Inc. (Asian E-Commerce) which is 50%-owned by a non-controlling shareholder of the Parent Company. Pursuant to the FOPM SP Agreement, the Parent Company agreed to sell and Asian E-Commerce agreed to purchase the Parent Company's remaining 24.27% equity interest in First Oceanic Property Management, Inc. (FOPM) and its subsidiary, Citylink Coach Services, Inc. (FOPM Group) at a consideration of Php153,728,294.

On April 16, 2021, the Parent Company and Asian E-Commerce executed a deed of absolute sale of shares of FOPM.

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

The registered office and principal place of business of Fortune Noble is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Suncity's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Fame Select's registered office and principal place of business is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

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

### ***1.2 Incorporation of New Subsidiaries***

On January 20, 2020, the Parent Company established SWC Project Management Limited, a new wholly owned subsidiary in Hong Kong. In addition, on February 17, 2020, the Parent Company also established WC Project Management Limited, also a new wholly owned subsidiary, in Macau. Both subsidiaries are engaged in provision of project management services.

On January 19, 2021, the SEC approved the incorporation of Suncity WC Hotel Inc., a new wholly-owned subsidiary in the Philippines. The subsidiary will be engaged in the business of establishing, constructing, operating, managing, and/or maintaining hotels, health and wellness shops, cinema, car parks, entertainment centers, amusement centers and other tourism-related facilities and all its incidental and allied facilities and services, and to own (other than land), hold, lease or sublease any real and personal property, which may be necessary or convenient for the conduct of its businesses.

### ***1.3 Loan Agreement with Summit Ascent***

On February 23, 2021, the Parent Company, as borrower, has entered into a Loan Agreement for the principal sum of up to USD120,000,000 at the interest rate of 6.00% per annum with Summit Ascent Investments Limited (Summit Ascent), a related party under common ownership. As of March 31, 2021, the Parent Company has yet to draw down any loan amount.

#### **1.4 COVID-19 Outbreak**

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The measures taken by the government to contain the virus have affected economic conditions. However, the Group's business operations have been affected minimally as its hotel and casino are still in the preliminary construction activities. The Group experienced no delays in its preliminary construction activities nor difficulties in financing. Management is still on track with its initial target date of completion of construction by 2023.

## **2. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

### **2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements**

These interim condensed consolidated financial statements for the three months ended March 31, 2021 and 2020 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2020.

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

These interim condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Group and all values represent absolute amounts except when otherwise indicated.

### **2.2 Adoption of New and Amended PFRS**

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

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the interim condensed consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements as of and for the year ended December 31, 2020.

### 4. SEGMENT REPORTING

#### 4.1 *Business Segments*

The Group's operating businesses are organized and managed separately according to the services provided, with each segment representing a unit that offers different services and serves different markets. For management purposes, the Group is organized into two major business segments, namely property management and rental, and in 2020, tourism-related business following the change in the primary purpose of the Parent Company. These are also the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

- (a) Tourism-related business – is the development and operation of the Main Hotel Casino.
- (b) Property Management and Rental – is the operation, control of (usually on behalf of an owner) and oversight of commercial, industrial or residential real estate as used in its most broad terms. It also consists of rental from leasing activity of Parent Company and transportation services of Citylink.

The segment results also include the equity share in net earnings of an associate operating in the same industry.

#### 4.2 *Segment Assets and Liabilities*

Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, right-of-use assets, property and equipment, deposits for property and equipment, receivables, net of allowances and due from related parties. Segment liabilities include all operating liabilities and consist principally of lease liabilities, convertible bonds payable, trade and other payables and due to related parties.

The business segment information of the Group as of and for the periods ended March 31, 2021 and 2020 are as follows:

**Period ended March 31, 2021**

	<u>Tourism- related Business</u>	<u>Property Management and Rental</u>	<u>Total</u>
Finance and other income	P 2,038,050	P -	P 2,038,050
Expenses	( 20,309,182)	-	( 20,309,182)
Equity in net loss of an associate	-	( 3,236,143)	( 3,236,143)
Foreign exchange loss	( 41,664,329)	-	( 41,664,329)
Finance costs	( 247,913,847)	-	( 247,913,847)
Loss before tax	( 307,849,308)	( 3,236,143)	( 311,085,451)
Tax expense	( 406,735)	-	( 406,735)
Net loss	<b><u>(P 308,256,043)</u></b>	<b><u>(P 3,236,143)</u></b>	<b><u>(P 311,492,186)</u></b>

**As at March 31, 2021**

Segment assets	<b><u>P22,623,066,957</u></b>	<b><u>P 177,874,166</u></b>	<b><u>P22,800,941,123</u></b>
Segment liabilities	<b><u>P 14,779,649,125</u></b>	<b><u>P -</u></b>	<b><u>P 14,779,649,125</u></b>

**Period ended March 31, 2020**

Income:			
Equity in net earnings of an associate	P -	P 1,524,788	P 1,524,788
Finance and other income	<u>1,481,659</u>	<u>-</u>	<u>1,481,659</u>
	1,481,659	1,524,788	3,006,447
Expenses	( 23,377,298)	-	( 23,377,298)
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>
Profit (loss) before tax	( 21,895,639)	1,524,788	( 20,370,851)
Tax expense	( 296,332)	<u>-</u>	( 296,332)
Net profit (loss)	<b><u>(P 22,191,971)</u></b>	<b><u>P 1,524,788</u></b>	<b><u>(P 20,667,183)</u></b>

**As at December 31, 2020**

Segment assets	<b><u>P22,312,855,315</u></b>	<b><u>P 181,110,308</u></b>	<b><u>P 22,493,965,623</u></b>
Segment liabilities	<b><u>P 14,166,899,678</u></b>	<b><u>P -</u></b>	<b><u>P 14,116,899,678</u></b>

## 5. PROPERTY AND EQUIPMENT

Details of property and equipment as at March 31, 2021 (unaudited) and December 31, 2020 (audited) are as follows:

	<u>Office and Communication Equipment</u>	<u>Furniture and Fixtures</u>	<u>Leasehold Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
<b>Cost:</b>					
Balance at January 1, 2021	P 2,464,044	P 439,406	P 444,992	P1,973,631,401	P1,976,979,843
Additions during the period	97,409	9,357	-	960,924,399	961,031,165
Disposal during the period	( 44,073)	-	-	-	( 44,073)
Exchange difference	10,273	1,832	1,864	2,477,785	2,491,754
Balance at March 31, 2021	<b><u>P 2,527,653</u></b>	<b><u>P 450,595</u></b>	<b><u>P 446,856</u></b>	<b><u>P2,937,033,585</u></b>	<b><u>P2,940,458,689</u></b>
<b>Accumulated Depreciation:</b>					
Balance at January 1, 2021	P 505,547	P 51,190	P 319,742	P -	P 876,479
Depreciation during the period	229,341	36,319	125,893	-	391,553
Disposal during the period	( 4,217)	-	-	-	( 4,217)
Exchange difference	1,776	180	1,221	-	3,177
Balance at March 31, 2021	<b><u>P 732,447</u></b>	<b><u>P 87,689</u></b>	<b><u>P 446,856</u></b>	<b><u>P -</u></b>	<b><u>P 1,266,992</u></b>
<b>Net book values</b>					
March 31, 2021	<b><u>P 1,795,206</u></b>	<b><u>P 362,906</u></b>	<b><u>P -</u></b>	<b><u>P2,937,033,585</u></b>	<b><u>P2,939,191,697</u></b>
December 31, 2020	<b><u>P 1,958,497</u></b>	<b><u>P 388,216</u></b>	<b><u>P 125,250</u></b>	<b><u>P1,973,631,401</u></b>	<b><u>P1,976,103,364</u></b>

Total borrowing costs and depreciation of right-of-used asset capitalized as construction in progress for the period ended March 31, 2021 amounted P63,887,931 and P193,254,889 (2020 - nil).

## 6. RELATED PARTY TRANSACTIONS

The Group's transactions with related parties, which include stockholders, related parties under common ownership, ultimate parent company, and the Group's key management, are described below.

	<u>Amount of Transactions</u>		<u>Receivable (Payable)</u>	
	<u>March 31, 2021 (Unaudited)</u>	<u>March 31, 2020 (Unaudited)</u>	<u>March 31, 2021 (Unaudited)</u>	<u>December 31, 2020 (Audited)</u>
<b>Stockholders:</b>				
Issuance of convertible bonds	P -	P -	(P 4,421,924,184)	(P 4,306,781,001)
Shareholders' loan and interest	-	-	( 93,706,314)	( 93,706,314)
Excess proceeds	-	-	( 19,019,476)	( 18,741,962)
Sale of investment property	-	-	27,382,014	27,382,014
Subscription of shares	-	-	1,387,499,990	1,387,499,990
<b>Related Parties Under Common Ownership:</b>				
Issuance of convertible bonds	-	-	( 3,946,100,006)	( 3,890,572,929)
Excess proceeds	-	-	( 40,223,909)	( 39,637,000)
Interest on convertible bonds	84,000,000	-	( 84,000,000)	-
<b>Ultimate Holding Company:</b>				
Advances obtained	-	1,355,368	-	-

Unless other stated, the outstanding balance of the Group's transactions with its related parties are unsecured, non-interest-bearing and payable or collectible on demand.

## 7. CONVERTIBLE BONDS PAYABLE

On May 29, 2020, the Parent Company entered into a subscription agreement with Fortune Noble for the issuance of zero-coupon convertible bonds at a total subscription price of P7,300.0 million. The convertible bonds were issued on December 30, 2020 and is convertible into 6,636,363,636 shares at the conversion price of P1.10 per share, subject to anti-dilutive adjustments.

On June 1, 2020, the Parent Company also entered into a subscription agreement with Summit Ascent for the issuance of 6.0% convertible bonds at a total subscription price of P5,600.0 million. The convertible bonds were issued on December 30, 2020 and is convertible into 3,111,111,111 shares at the conversion price of P1.80 per share, subject to anti-dilutive adjustments.

Both convertible bonds are payable up to 2025, which may subject to agreement by Fortune Noble and Summit Ascent, upon request of the Parent Company, be extended up to 2030.

The fair values at initial recognition and the carrying amounts of the financial liability components, calculated based on the fair value of the principal less any directly attributable transaction costs, at March 31, 2021 and December 31, 2020 are presented below:

	<u>Fortune Noble</u>	<u>Summit Ascent</u>	<u>Total</u>
Face value of the bonds issued	P 7,300,000,000	P 5,600,000,000	P 12,900,000,000
Bond issue costs	( 62,123,000)	( 47,656,000)	( 109,779,000)
Net proceeds	7,237,877,000	5,552,344,000	12,790,221,000
Amount classified as equity	( 2,931,095,999)	( 1,661,771,071)	( 4,592,867,070)
Carrying amount of liability at December 31, 2020 (Audited)	4,306,781,001	3,890,572,929	8,197,353,930
Amortized interest for the period	<u>115,143,183</u>	<u>55,527,077</u>	<u>170,670,260</u>
<b>Carrying amount of liability at March 31, 2021 (Unaudited)</b>	<b><u>P 4,421,924,184</u></b>	<b><u>P 3,946,100,006</u></b>	<b><u>P 8,368,024,190</u></b>

For the period ended March 31, 2021, the Parent Company accrued P84.0 million interest related to Summit Ascent's convertible bonds and included as part of Due to related parties in the interim condensed consolidated statement of financial position.

## 8. LOSS PER SHARE

Loss per share amounts were computed as follows:

	<u>Period ended March 31, 2021 (Unaudited)</u>	<u>Period ended March 31, 2020 (Unaudited)</u>
Net loss	(P 311,492,186)	(P 20,667,183)
Divided by the weighted average number of outstanding shares	<u>7,250,000,000</u>	<u>7,250,000,000</u>
Basic and diluted loss per share	<b><u>(P 0.0430)</u></b>	<b><u>(P 0.0029)</u></b>

For the period ended March 31, 2021, the computation of diluted loss per share did not assume the conversion of the outstanding convertible bonds of the Parent Company since the conversion of the outstanding convertible bonds would result in decrease in diluted loss per share.

The Group has no dilutive potential shares as of March 31, 2020.

## 9. EQUITY

The details of this account as of March 31, 2021 and December 31, 2020 are as follows:

	<b>March 31, 2021</b> <b>(Unaudited)</b>	December 31, 2020 <b>(Audited)</b>
Capital stock	<b>P 5,862,500,010</b>	P 5,862,500,010
Convertible bond equity reserve	<b>4,592,867,070</b>	4,592,867,070
Revaluation reserve	<b>460,033</b>	460,033
Exchange reserve	<b>10,055,115</b>	4,336,876
Deficit	<b>( 2,444,590,230)</b>	<b>( 2,133,098,044)</b>
	<b><u>P 8,021,291,998</u></b>	<b><u>P 8,327,065,945</u></b>

## 10. COMMITMENTS AND CONTINGENCIES

### *10.1 Co-Development and Lease Agreements with a Related Party Under Common Ownership*

In 2019, the Parent Company entered into a CDA with a related party under common ownership, with respect to the development of a hotel and casino. Under this agreement, the Parent Company is to raise funds of not less than US\$300.0 million within 5 months (as further extended to December 31, 2020 by five supplemental agreements to the CDA), US\$200.0 million (P9,853.7 million) of which is payment for the initial cost of the project. As of December 31, 2020, the Parent Company was able to raise the funds as required. The US\$200.0 million initial cost of the project has been fully paid and was allocated to ROUA and CIP in the amounts of P8,811.0 million and P1,042.7 million, respectively.

On February 21, 2020, and in relation to the CDA, the Parent Company entered into a lease agreement with a related party under common ownership, over three parcels of land. The lease agreement provides for an original term of until August 19, 2039 (19 years) and is renewable automatically for another 25 years subject to applicable laws and upon agreement by both parties.

The related annual rental is set at US\$10.6 million which is payable starting from the latter of the first day of commencement of the operation of the Main Hotel Casino and the fulfilment of the conditions precedent or such other dates as may mutually agreed upon by both parties. Management estimated that its cash flow for the annual rental will start in 2023, which is the target commencement date of operations of the Main Hotel Casino, hence no payment will be made on the first two years of the lease.



The carrying amount of the Group's ROUA as at March 31, 2021 and December 31, 2020 and movements during the periods are shown below.

	<b>Period ended March 31, 2021 (Unaudited)</b>	Year ended December 31, 2020 (Audited)
Balance at beginning of period/year	P 14,429,698,406	P -
Additions	39,333,258	14,429,698,406
Depreciation capitalized as construction in progress	( 193,254,890)	-
Depreciation charged to profit or loss	( 3,964,012)	-
	<b><u>P 14,271,812,762</u></b>	<b><u>P 14,429,698,406</u></b>

The carrying amount of the Group's lease liabilities as at March 31, 2021 and December 31, 2020 and movements during the periods are shown below.

	<b>Period ended March 31, 2021 (Unaudited)</b>	Year ended December 31, 2020 (Audited)
Balance at beginning of period/year	P 5,618,666,948	P -
Leases entered during the period/year	39,333,258	5,618,666,948
Interest during the period/year	57,131,518	-
Payment during the period/year	( 4,380,714)	-
Exchange difference	<u>40,773,943</u>	<u>-</u>
	<b><u>P 5,751,524,953</u></b>	<b><u>P 5,618,666,948</u></b>

In 2021, the Group has leases covering its office facilities with recognized ROUA and lease liabilities.

### ***10.2 Operation and Management Agreement with a Related Party Under Common Ownership***

On May 4, 2020, the Parent Company entered into an Operation and Management Agreement with a related party under common ownership whereby the Parent Company shall operate and manage the Main Hotel Casino which is expected to commence operation in 2023. The agreement is effective upon the execution date of May 4, 2020 until July 11, 2033 and may be extended or renewed as mutually agreed upon by both parties.

### ***10.3 Capital Commitments***

As of March 31, 2021, the Group has commitments of about P28,806.33 million for the construction of the Main Hotel Casino pursuant to the CDA.

## **11. RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

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

### **11.1 Foreign Currency Risk**

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's foreign currency-denominated cash, due to related parties, trade and other payables and lease liabilities which are primarily denominated in U.S. Dollar (USD), Hong Kong Dollar (HKD) and Macau Pataca (MOP).

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency denominated financial assets and financial liabilities, translated into Philippine pesos at the closing rate as of March 31, 2021, are as follows:

	<u>USD</u>	<u>Php Equivalent</u>	<u>HKD</u>	<u>Php Equivalent</u>	<u>MOP</u>	<u>Php Equivalent</u>
Financial assets	501	24,259	1,417,864	8,824,361	70,833,122	440,844,103
Financial liabilities	119,162,902	5,775,349,008	5,944,309	36,995,593	8,904,519	53,879,465

If the Philippine peso had strengthened by 5% against the USD, HKD and MOP, with all other variables held constant, consolidated net loss would have increased by P288.77 million for the three months ended March 31, 2021.

However, if the Philippine peso had weakened against the USD, HKD and MOP by the same percentages, consolidated net profit (loss) would have changed at the opposite direction by the same amounts.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis in the preceding page is considered to be representative of the Group's foreign currency risk.

The Group's exposure to foreign currency risk as at 31 December 2020 was not significant.

### **11.2 Interest Rate Risk**

As at March 31, 2021 and December 31, 2020, the Group is exposed to changes in market interest rates through its cash and cash equivalents, and short-term investments which are subject to variable interest rates. All other financial assets and financial liabilities have fixed rates or are non-interest bearing. Management believes that the impact of the fluctuations in interest rates would not materially impact the Group's consolidated financial statements since the interest rates have shown insignificant changes during the years and the Group's interest income from cash and cash equivalents and short-term investments amounts only to P2.04 million and P1.48 million in for the three-months ended March 31, 2021 and 2020, respectively.

### 11.3 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The credit risk for cash and cash equivalents and due from related parties are considered negligible, since the counterparties are reputable banks with high quality external credit ratings and amounts due from related parties were fully collected in April 2021.

### 11.4 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six months and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities as at March 31, 2021 and December 31, 2020 reflecting the gross cash flows, which may differ from the carrying values of the liabilities at the end of reporting periods.

	<u>Current</u>		<u>Non-current</u>
	<u>Within 6 Months</u>	<u>6 to 12 Months</u>	<u>1 to 19 Years</u>
<b>March 31, 2021 (Unaudited)</b>			
Trade and other payables	P 513,090,906	P -	P -
Due to related parties	143,243,384	-	-
Lease liabilities	13,129,711	13,129,711	8,387,948,254
Convertible bonds payable	-	-	12,900,000,000
	<b><u>P 669,464,001</u></b>	<b><u>P 13,129,711</u></b>	<b><u>P 21,287,948,254</u></b>
<b>December 31, 2020 (Audited)</b>			
Trade and other payables	P 187,672,733	P -	P -
Due to related parties	58,378,962	-	-
Lease liabilities	-	-	8,320,012,591
Convertible bonds payable	-	-	12,900,000,000
	<b><u>P 246,051,695</u></b>	<b><u>P -</u></b>	<b><u>P 21,220,012,591</u></b>

The Group's convertible bonds presented above assumed that the holders did not execute the conversion option. If the bonds were converted, there would be no cash outflow upon maturity of the bonds.

## 12. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

### 12.1 Carrying Amounts and Fair Values by Category

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

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Financial Assets</b>				
Financial assets at amortized cost:				
Cash and cash equivalents	P 3,710,493,737	P 3,710,493,737	P 5,877,616,276	P 5,877,616,276
Due from related parties	27,382,014	27,382,014	27,382,014	27,382,014
Trade and other receivables (presented as part of Others)	8,384	8,384	93	93
	<b>P 3,737,884,135</b>	<b>P 3,737,884,135</b>	<b>P 5,904,998,383</b>	<b>P 5,904,998,383</b>
<b>Financial Liabilities</b>				
Financial liabilities at amortized cost:				
Trade and other payables	P 513,090,906	P 513,090,906	P 187,672,733	P 187,672,733
Due to related parties	143,243,384	143,243,384	58,378,962	58,378,962
Lease liabilities	5,751,524,953	5,751,524,953	5,618,666,948	5,618,666,948
Convertible bonds payable	8,368,024,190	8,368,024,190	8,197,353,930	8,197,353,930
	<b>P 14,775,883,433</b>	<b>P 14,775,883,433</b>	<b>P 14,062,072,573</b>	<b>P 14,062,072,573</b>

### 12.2 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

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

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

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### **13. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES**

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders in the future.

The Group also monitors capital on the basis of the carrying amount of equity as presented on the consolidated statements of financial position. It sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

### **14. EVENTS AFTER THE END OF REPORTING PERIOD**

#### ***14.1 Sale of Investment in an Associate***

On April 16, 2021, the Parent Company and Asian E-Commerce executed the relevant deed of absolute sale of shares in relation to the Parent Company's 24.27% equity interest in FOPM. The sale of shares in FOPM would result in derecognition of the Group's interest in an associate for FOPM Group.

The Group reclassified the carrying value of the investment in an associate at March 31, 2021 to non-current asset held for sale in the interim condensed consolidated statement of financial position. The Group did not recognize any gain or loss in connection with the reclassification of the asset as it considered not to be significant.

## MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

### RESULTS OF OPERATIONS

#### Review of March 31, 2021 versus March 31, 2020

On January 20, 2020, the Parent Company established SWC Project Management Limited, a new wholly owned subsidiary in Hong Kong. In addition, on February 17, 2020, the Parent Company also established WC Project Management Limited, also a new wholly owned subsidiary, in Macau. Both subsidiaries are engaged in provision of project management services.

On January 19, 2021, the SEC approved the incorporation of Suncity WC Hotel Inc. (WC Hotel), a new wholly owned subsidiary in the Philippines. The subsidiary will be engaged in the business of establishing, constructing, operating, managing, and/or maintaining hotels, health and wellness shops, cinema, car parks, entertainment centers, amusement centers and other tourism-related facilities and all its incidental and allied facilities and services, and to own (other than land), hold, lease or sublease any real and personal property, which may be necessary or convenient for the conduct of its businesses. As of March 31, 2021, WC Hotel is still in pre-operating stage and has not commenced commercial operations.

The Group's total finance income exhibited an increase of Php0.56 million or 37.84% from Php1.48 million in 2020 to Php2.04 million in 2021 of the same period.

Operating expenses exhibited a decrease of Php3.07 million or 13.13% from Php23.38 million in 2020 to Php20.31 million in 2021.

Interest expense in during the current period amounted to Php247.91 million while interest expense is nil in 2020 of the same period.

Foreign exchange loss during the period amounted to Php41.66 million while foreign exchange loss is nil in 2020 of the same period.

The Group's incurred a net loss in 2021 amounting to Php311.49 million from the previous year's net loss of Php20.67 million or Php290.82 million increase.

### FINANCIAL CONDITION

#### As of March 31, 2021 and December 31, 2020

The Group's total resources amounted to Php22,800.94 million in 2021 from Php22,493.97 million in 2020. 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 Php1,883.51 million or 31.74% from Php5,934.44 million in 2020 to Php4,050.93 million in 2021. Cash and cash equivalents decreased by Php2,167.13 million or 36.87% from Php5,877.62 million in 2020 to Php3,710.49 million in 2021. Other current assets increased by Php283.61 million or 963.35% from Php29.44 million in 2020 to Php313.05 million in 2021.

Non-current assets increased by Php2,039.99 million or 12.32% from Php16,559.53 million in 2020 to Php18,599.52 million in 2021. Investment in an associate decreased by Php153.73 million or 100.00% from Php153.73 million in 2020 to nil in 2021. Property and equipment increased by Php963.09 million or 48.74% in 2021 from Php1,976.10 million in 2020 to Php2,939.19 million in 2021. Deposits for property and equipment increased by P1,388.52 million.

Non-current asset held for sale increased by P150.49 million.

The Group's total liabilities amounted to Php14,779.65 million in 2021 from Php14,166.90 million in 2020 or an increase of Php612.75 million or 4.33%.

Current liabilities increased by Php334.61 million or 95.36% from Php350.88 million in 2020 to Php685.49 million in 2021. Trade and other payables exhibited an increase of Php224.36 million or 76.70% from Php292.50 million in 2020 to Php516.86 million in 2021. Due to related parties increased by Php84.86 million or 145.36% from Php58.38 million in 2020 to Php143.24 million in 2021.

Convertible bonds payable increased by Php170.67 million or 2.08% from Php8,197.35 million in 2020 to Php8,368.02 million in 2021. Lease liability exhibited an increase of Php132.85 million or 2.36% from Php5,618.67 million in 2020 to Php5,751.52 million in 2021.

Equity decreased by Php305.78 million or 3.67% from Php8,327.07 million in 2020 to Php8,021.29 million in 2021.

**Material Changes in the Financial Statements Items:**  
***Increase/Decrease of 5% or more versus December 31, 2020***

**Statements of Financial Position**

*36.87% decrease in cash and cash equivalents*

Due to payment of operating expenses and construction costs in relation to the construction of the Main Hotel Casino.

*963.35% increase in other current assets*

Due to prepaid expenses and input value-added taxes recognized in relation to construction costs of the Main Hotel Casino.

*Increase in deposits for property and equipment*

Due to payment of general contractor's mobilization fees in relation to the construction of the Main Hotel Casino.

48.74% increase in property and equipment

Due to the capitalized construction costs as construction in progress in relation to the construction of the Main Hotel Casino.

Increase in non-current asset held for sale and 100.00% decrease in investment in an associate

Due to the reclassification the carrying value of the investment in First Oceanic Property Management, Inc. (FOPM) at March 31, 2021 to non-current asset held for sale since the sale of the investment in FOPM Group has been approved by the board of directors in March 2021 and the execution of the deed of absolute shares of stock has been completed on April 16, 2021.

76.70% increase in trade and other payables

Due to increase in unpaid construction related invoices as of March 31, 2021.

145.36% increase in due to related parties

This represents unpaid interest on the convertible bonds which is payable to Summit Ascent.

***Increase/Decrease of 5% or more versus March 31, 2020***

**Statements of Income**

37.84% increase in finance and other income

Due to the increase in cash and cash equivalents as a result of the payment received from additional issuance of shares and subscription of convertible bonds in 2020 net of payment of pre-construction costs and expenses.

Increase in foreign exchange loss

Due to translation adjustment to foreign denominated financial liabilities such as lease liability and due to related parties.

Increase in interest expense

Due to interest expense incurred in relation to lease liability and convertible bonds payable.

**KEY PERFORMANCE INDICATORS**

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

	March 31, 2021	December 31, 2020
Current Ratio *1	5.91 : 1.00	16.91 : 1.00
Quick Ratio *2	5.45 : 1.00	16.83 : 1.00
Debt to Equity Ratio *3	1.84 : 1.00	1.70 : 1.00
		March 31, 2020
Return on Assets *4	-1.38%	-1.46%
Return on Equity *5	-3.81%	-1.50%



*\*1 – Current Assets / Current Liabilities*

*\*2 – Cash and Cash Equivalents and Short-term Investments / Current Liabilities*

*\*3 – Total Liabilities / Equity*

*\*4 – Net Profit (Loss) / Average Total Assets*

*\*5 – Net Profit (Loss) / 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 material commitments for capital expenditures amounting to Php28,806.33 million as of March 31, 2021 in relation to the construction of the Main Hotel Casino.

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 other material events subsequent to the end of the period that have not been reflected in the interim condensed consolidated financial statements for the period.

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



SUNTRUST HOME DEVELOPERS, INC. AND SUBSIDIARIES

EXHIBIT 8

(A Subsidiary of Fortune Noble Limited)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

March 31, 2021 and December 31, 2020

Ratio	Formula	March 31, 2021	December 31, 2020
Current ratio	Current assets / Current liabilities	5.91	16.91
Acid test ratio	Quick assets / Current liabilities (Quick assets include current assets less other current assets)	5.45	16.83
Solvency ratio	Total liabilities / Total assets	0.65	0.63
Debt-to-equity ratio	Total liabilities / Total stockholders' equity	1.84	1.70
Asset-to-equity ratio	Total assets / Total stockholders' equity	2.84	2.70
Interest rate coverage ratio	EBIT / Total interest	-0.25	-0.80
Return on equity	Net loss / Average total equity	-0.04	-0.04
Return on assets	Net loss / Average total assets	-0.01	-0.02
Net profit margin	Net loss / Total revenues	-	-