November 11, 2016

Disclosure Department
Philippine Stock Exchange, Inc.
PSE Center, Exchange Road, Ortigas Center
Pasig City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Re : **Quarterly Report SEC Form 17-Q**

Gentlemen:

We are furnishing you a copy of our report (SEC Form17-Q) for the first quarter ending September 30, 2016 filed with SEC.

We trust you will find the report in order.

Very truly yours,

Georgina A. Monsod
Treasurer and Corporate Information Officer

Office 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223, Philippines
Landline (+632) 750.2000 Fax (+632) 751.0773
Website www.ircproperties.com

COVER SHEET

- - - - - 6 0 3 1 2

SEC Registration Number

IRC PROPERTIES, INC.

(Company's Full Name)

35TH FLOOR RUFINO

PACIFIC TOWER 6784 AYALA AVE.

MAKATI CITY

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

GEORGINA A. MONSOD	750-2000
Contact Person	Company Telephone Number

SEC Form 17-Q

12	31			
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

F S

Secondary License Type, If Applicable

	N/A
Dept Requiring this Doc	Amended Articles Number / Section

	Total Amount of Borrowings	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SEC Number **60312**
File Number

IRC PROPERTIES, INC.
(Company's Full Name)

35F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
(Company's Address)

(02) 750-2000
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month and day)

Quarterly Report
Form Type

Amendment Designation (if applicable)

September 30, 2016
Period Ended Date

Publicly Listed Corporation
(Secondary License Type and File Number)

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 : **September 30, 2016**

2. Commission Identification Number : **60312** 3. BIR Tax Identification Number : **000-464-876**

4. Exact name of registrant as specified in its charter : **IRC PROPERTIES, INC.**

5. Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**

6. Industry Classification Code : ☐ (SEC Use Only)

7. Address of registrant's principal office Postal Code
35F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City **1223**

8. Registrant's telephone number, including area code : **(0632) 750-2000**

9. Former name, former address and former fiscal year, if changed since last report
N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of shares outstanding
Common	**1,127,088,964**

11. Are any or all of the securities listed on a Stock Exchange?
Yes [**x**] No [ ]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code 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 (or for such shorter period that the registrant was required to file such reports);
Yes [**x**] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [**x**] No [ ]

IRC PROPERTIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(All amounts in Philippine Peso)

		SEPTEMBER 2016		DEC. 2015 AUDITED		SEPTEMBER 2015
		A S S E T S				
CURRENT ASSETS						
Cash on hand and in banks	**P**	**9,180,975**	P	9,047,223	P	38,598,609
Receivables, net		**72,792,264**		40,575,504		34,093,927
Available-for-sale financial assets		**620,380**		620,380		620,380
Prepayments		**18,759,484**		31,111,553		63,584,611
Funds held by custodian bank		**16,064,468**		15,907,315		15,876,889
Land held for development		**1,028,545,689**		1,012,316,259		987,056,431
Real properties held for sale and development		**7,222,086**		29,714,419		938,437
Total current assets	**P**	**1,153,185,346**	P	1,139,292,653	P	1,140,769,284
NON-CURRENT ASSETS						
Investment property	**P**	**2,205,928,366**	P	2,077,087,128	P	2,002,344,146
Property and equipment		**2,237,598**		2,274,679		1,477,710
Other assets		**1,114,667**		1,116,403		1,110,384
Total non-current assets	**P**	**2,209,280,632**	P	2,080,478,210	P	2,004,932,240
Total assets	**P**	**3,362,465,978**	P	3,219,770,869	P	3,145,701,524
		LIABILITIES AND EQUITY				
CURRENT LIABILITES						
Accounts payable and accrued expenses	**P**	**91,610,397**	P	218,627,809	P	174,069,306
Provision for clearing costs		**110,253,111**		110,253,111		-
Payable to the Joint Venture				-		
Advances due to others		**69,324,408**		75,761,532		99,167,585
Notes payable		**185,993,378**		293,869,900		293,869,900
Deposits for future subscription		**280,000,000**				
Liability for refund of stock rights subscription		**16,064,468**		15,907,315		15,876,889
Total current liabilities	**P**	**753,245,762**	P	714,419,667	P	582,983,679
NON-CURRENT LIABILITES						
Deferred tax liability	**P**	**402,455,596**	P	402,455,596	P	383,277,995
Provision for clearing costs		**643,652,984**		608,652,984		655,816,791
Retirement benefit obligation		**3,962,857**		3,962,857		0
Total non-current liabilities	**P**	**1,050,071,437**	P	1,015,071,437	P	1,039,094,786
Total liabilities	**P**	**1,803,317,199**	P	1,729,491,104	P	1,622,078,465
EQUITY						
Share capital	**P**	**1,127,113,978**	P	1,127,113,978	P	1,127,113,978
Additional Paid-In capital		**50,880,000**		50,880,000		50,880,000
Treasury shares		**(14)**		(14)		(14)
Fair value and other reserves		**(8,943)**		(8,943)		(8,943)
Retained earnings (Deficit)		**381,163,758**		312,294,738		345,638,031
Total equity	**P**	**1,559,148,779**		1,490,279,759	P	1,523,623,052
Total liabilities and equity	**P**	**3,362,465,978**	P	3,219,770,869	P	3,145,701,524

See accompanying Notes to Consolidated Financial Statements

IRC PROPERTIES, INC. AND SUBSIDIARY
STATEMENT OF INCOME AND EXPENSES

	Quarter Ending September 30		Year Ending September 30	
	2016	**2015**	**2016**	**2015**
INCOME				
Share in the JV- Sunshine Fiesta	-	5,488,000	-	21,423,000
Share in the JV- Fiesta Casitas	-	-	-	3,050,400
Sales – Casas Aurora	**P 37,630,400**	-	**88,605,200**	-
Sales discount	**-176,085**	-	**-270,395**	
Interest income	**7,886**	57,097	**27,944**	118,031
Miscellaneous Income	**17,857**	39,461	**48,268**	39,461
Fair value gain on investment property	**65,000,000**	65,000,000	**65,000,000**	65,000,000
Total income	**P 102,480,058**	P 70,584,558	**P 153,411,017**	P 89,630,892
EXPENSES				
Cost of Sales	**P 21,144,262**	P 2,314,782	**P 53,963,928**	P 10,666,323
Commission	**4,029,598**	501,374	**8,621,868**	1,220,636
Interest, penalties and related charges	**206,233**	2,850	**385,959**	4,700
Salaries, wages and employee benefits	**2,131,042**	1,143,908	**5,967,603**	2,873,307
Taxes, fees and licenses	**180,736**	1,095,770	**1,834,461**	2,005,222
Professional fees	**471,657**	196,000	**733,998**	864,914
Transportation and travel	**11,215**	27,730	**160,977**	38,624
Rent	**926,762**	926,762	**2,780,287**	2,780,285
Office supplies	**187,570**	132,120	**554,697**	336,007
Depreciation expense	**187,397**	115,638	**515,596**	346,913
Amortization	**8,847**	15,906	**22,833**	46,746
Other expenses	**2,895,715**	1,953,491	**7,356,741**	6,033,835
Total expenses	**P 32,381,036**	P 8,426,329	**P 82,898,947**	P 27,217,510
(LOSS) INCOME BEFORE INCOME TAX	**P 70,099,022**	P 62,158,229	**P 70,512,070**	P 62,413,381
PROVISION FOR INCOME TAX	**1,281,836**	63,464	**1,643,052**	276,141
NET INCOME (LOSS) FOR THE PERIOD	**P 68,817,186**	62,094,764	**P 68,869,018**	P 62,137,240
OTHER COMPREHENSIVE LOSS	**-**	-	**-**	-
TOTAL COMPREHENSIVE (LOSS)INCOME FOR THE PERIOD	**P 68,817,186**	P 62,094,764	**P 68,869,018**	P 62,137,240
Earnings Income /(Loss) Per Share				
a. Basic	**(0.069)**	(0.062)	**(0.069)**	(0.062)
b. Diluted	**(0.069)**	(0.062)	**(0.069)**	(0.062)
Net Income (Loss)	**P 68,817,186**	P 62,094,764	**P 68,869,018**	P 62,137,240
Weighted Ave. Number of Common Shares Outstanding	**1,127,113,978**	1,127,113,978	**1,127,113,978**	1,127,113,978
Warrants	-	-	-	-

IRC PROPERTIES, INC. AND SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY

	Quarter Ending September 30		Year Ending September 30	
	2016	**2015**	**2016**	**2015**
Capital Stock, beginning	**P 1,127,113,978**	P 999,913,978	**P 1,127,113,978**	P 999,913,978
Additional subscription		127,200,000		127,200,000
CAPITAL STOCK	**P 1,127,113,978**	P 1,127,113,978	**P1,127,113,978**	P 1,127,113,978
ADDITIONAL PAID IN CAPITAL				
Balance beginning	**P -**	P -	**P -**	P -
Surplus from additional subscription	**50,880,000**	50,880,000	**50,880,000**	50,880,000
Balance at end of period	**P 50,880,000**	P 50,880,000	**P 50,880,000**	P 50,880,000
RETAINED EARNINGS (DEFICIT)				
Balance beginning	**P 312,346,573**	P 283,543,271	**P 312,294,738**	P 283,500,799
Cumulative effect of change in accounting policy for investment property	**-**	-	**-**	-
Prior year adjustment	**-**	-	**-**	-
	P 312,346,573	P 283,543,271	**P 312,294,738**	P 283,500,799
Net income (loss)	**68,817,186**	P 62,094,764	**P 68,869,018**	P 62,137,240
Balance at end of period	**P 381,163,761**	P 345,638,035	**P381,163,756**	P 345,638,033
	P1,559,157,739	P1,523,632,013	**P1,559,157,734**	P 1,523,632,011
Treasury shares	**(14)**	(14)	**(14)**	(14)
Fair value reserve	**(8,943)**	(8,943)	**(8,943)**	(8,943)
BALANCE, END	**P 1,559,148,779**	P1,523,623,052	**P1,559,148,779**	P 1,523,632,011

IRC PROPERTIES, INC. AND SUBSIDIARY

STATEMENT OF CASHFLOW

		Quarter Ending September 30				Year Ending September 30		
		2016		**2015**		**2016**		**2015**
CASH FLOWS FROM OPERATING ACTIVITIES								
(Loss) income for the period	**P**	**68,817,186**	P	62,094,766	**P**	**68,869,018**	P	62,137,239
Adjustments for:								
Depreciation		**187,397**		115,639		**515,596**		346,913
Interest income		**(7,886)**		(57,097)		**(27,944)**		(118,031)
Miscellaneous income		**-**		-		**-**		
Operating loss before changes in operating assets and liabilities	**P**	**68,996,697**	P	62,153,304	**P**	**69,356,670**	P	62,366,122
Changes in operating assets and liabilities								
(Increase) decrease in:								
Receivables		**(6,941,453)**		(23,328,546)		**(32,216,760)**		(29,195,062)
Inventories				(68,900)				(68,900)
Prepayments		**(259,054)**		(856,120)		**12,352,069**		(24,124,507)
Other assets		**(1,419)**		15,903		**1,736**		35,064
Real properties held for sale and dev't		**7,424,885**				**22,492,333**		
Land held for development		**(4,751,284)**		(7,831,254)		**(16,229,430)**		(12,904,868)
(Decrease) increase in accounts payable and accrued expenses		**11,739,275**		(101,418,713)		**(106,359,528)**		28,608,047
(Decrease) increase in payable to JV		**-**						48,505
(Decrease) increase in provision for clearing costs		**35,000,000**		24,974,874				
Advances due to others		**(17,050,917)**		(2,113,294)		**(27,095,011)**		(4,010,620)
Net cash used in operations	**P**	**94,156,730**	P	(48,472,746)	**P**	**(77,697,920)**	P	(90,690,058)
Interest received		**7,886**		57,097		**27,944**		118,031
Net cash used in operating activities	**P**	**94,164,615**	P	(48,415,649)	**P**	**(77,669,976)**	P	(90,572,028)
CASH FLOWS FROM INVESTING ACTIVITIES								
Property and equipment		**(68,482)**				**(478,519)**		
Investment property		**(108,610,028)**		(110,643,374)		**(128,841,238)**		(131,585,067)
Decrease in provision for clearing cost non current		**-**		-		**35,000,000**		35,000,000
Net cash (used in) from investing activities	**P**	**(108,678,510)**	P	(110,643,374)	**P**	**(94,319,757)**	P	(96,585,067)
CASH FLOWS FROM FINANCING ACTIVITY								
Payment of notes payable					**P**	**(107,876,522)**	P	1,500,000
Deposits for future subscription						**280,000,000**		
Additional stock subscription				127,200,000				127,200,000
Additional paid in capital		**-**		50,880,000		**-**		50,880,000
Net cash generated from financing activities		**-**		178,080,000	**P**	**172,123,478**	P	179,580,000
NET INCREASE (DECREASE) IN CASH ON								
CASH ON HAND AND IN BANKS	**P**	**(14,513,895)**	P	19,020,974	**P**	**133,745**	P	(7,577,095)
CASH ON HAND AND IN BANKS								
Beginning balance		**23,694,864**		19,577,620		**9,047,223**		46,175,692
Balance, September 30	**P**	**9,180,975**	P	38,598,609	**P**	**9,180,975**	P	38,598,609

IRC PROPERTIES, INC. AND SUBSIDIARY

AGING OF ACCOUNTS RECEIVABLE

As of September 30, 2016

	Amount	**1-30 days**	**Over 30 days**	**Over 60 days**	**Over 90 days**
NON-TRADE					
LGTM Corporation	-				-
TRADE					
Hundred Lake Dev't. Corp.	-	-			
SUB-TOTAL	-	-			-
OTHERS					
Receivable from JV	2,599,529				2,599,529
Receivable from HDMF	5,691,560			904,875	4,786,685
Advances to M. Carsula	1,382,341		600,000		782,341
Advances to officer/ employees	275,909	9,160			266,749
Refundable cash bond	971,820				971,820
Advances to affiliates	68,759				68,759
Other Receivable	12,215,408	83,498		10,765,986	1,365,924
Advances for liquidation	6,440,938	64,135	856,000	685,000	4,835,803
Advances to CLTSJLO	140,000				140,000
Advances to VGP Const	24,173,000		3,000,000		21,173,000
Advances to Greenroof Corp	18,833,000				18,833,000
TOTAL	**72,792,264**	**156,793**	**4,456,000**	**12,355,861**	**55,823,610**
-					
Less: Allowance for Probable loss	-	-	-		-
TOTAL ACCOUNTS RECEIVABLE- NET	**72,792,264**	**156,793**	**4,456,000**	**12,355,861**	**55,823,610**

1. **Corporate Information**

IRC Properties, Inc. (Parent Company) and Interport Development Corporation (IDC), (collectively referred to as the "Company"), both domestic corporations were incorporated on February 24, 1975 and December 21, 1993, respectively. The Parent Company is primarily involved in the acquisition, reclamation, development or exploitation of land, forests, minerals, oil, gas and other resources. IDC is primarily involved in the acquisition and selling of real estate of all kinds or hold such properties for investment purposes.

The clearing of Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 480 hectares of the 2,043 hectare property. It is still addressing the Supreme Court's decision on November 21, 1991 declaring that the Company's ownership of the titles shall be "subject to the herein declared superior rights of bonafide occupants therein with lengths of possession which had ripened to ownership, the latter to be determined in an appropriate proceeding". In view of this, the Company has estimated that out of a total 2,043 hectares, 700 hectares can still be recovered from claimants. Although conservatively, the Company has recognized only 480 hectares in its books because this is the area the Company has ascertained to be recoverable in the short term.

On May 20, 2016, The Group sold a parcel of land to Amaia Land Corp located in Barangay Tatala, Binangonan, Rizal with an area approximately 66,061 sqm.

On April 1, 2016, Top Consult Incorporated released an appraisal report on the said property with a corresponding fair value of P1000.00/m2 as of December 31, 2015 totalling to P19.085 Billion from previous appraisal of 18.951 conducted by Royal Asia Appraisal Corporation.

The Group entered into joint development agreements with two local real estate developers to develop an estimated 29 hectares of clean Binangonan properties. Moreover, the Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments (Notes 10 and 11).

On July 9, 2014, the Group entered into a joint development agreement with a foreign investor for the development of a four-hectare housing project, the Group's third residential development within its Binangonan property.

On September 10, 2013, the Company entered into a Contract to Sell with Hundred Lake Development Corporation, whereby the company agreed to sell its land located in Binangonan, Rizal, with an area of 183,729 square meters at P475/m2. The company received P75 million as down payment upon execution of the Contract to Sell and the balance of P12,271,275.00 was fully collected in 2014 upon transfer of the property to the buyer.

As at December 31, 2014, the Group's negotiations with a leading local real estate developer relative to the acquisition of a portion of the 2,000-hectare Binangonan lot have not materialized. The deal is expected to be completed this year. The Group believes that the entry of the leading local real estate developer will jumpstart the development of a new mixed-use community south of Metro Manila.

The Eastridge project (Trocadero Residences) has been deferred until the Group finds a more opportune moment to develop a mix of condominium and townhouses within a 134 hectare property also in its Binangonan property adjacent to Thunderbird Resort and Casino and the 18-hole Eastridge Golf Club.

As at December 31, 2014, 164.70 hectares are ready for immediate development (2013 - 142.54 hectares).

No amount is spent on research and development activities for the last three (3) fiscal years.

The Company posted a net income of ₱ 68.817 million for this quarter vis a vis P 62.094 million same quarter of last year 2015.

The registered office of the Company is located at 35F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. As of this quarter, the company has Seventeen employees and accordingly has complied with retirement benefit required under RA 7641.

2. **Summary of Significant Accounting Policies**

Basis of Preparation

The consolidated financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and Interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by SEC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment property.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS includes Philippine Accounting Standards (PAS) and interpretations issued by the Financial Reporting Standards Council and adopted by SEC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Parent Company and IDC, a 100%-owned subsidiary as of September 30, 2016 and December 31 2015. The Subsidiary's financial statements are prepared for the same reporting period as the Parent Company. The Company uses uniform accounting policies.

(a) Subsidiary

Subsidiary is an entity (including special purpose entities) over which the Company has the power to govern the financial and operating policies and generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between the Parent Company and the subsidiary are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Company.

Cash on hand and in banks

Cash on hand and in banks consist of cash on hand and deposits held at call with banks.

Financial assets

The Company classifies its financial assets in to the following categories: loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Classification

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise of receivables, prepayments, funds held by custodian bank and cash on hand and in banks in the consolidated balance sheet.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities - other than those that meet the definition of loans and receivables - that management has the positive intention and ability to hold to maturity, but excluding those which were intended to be held for an undefined period.

The Company did not hold financial assets in this category.

(iii)Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of other categories of financial assets.

Initial recognition and derecognition

Regular purchases and sales of investments are recognized on trade-date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognized at fair value, and transaction costs are expensed in the statement of income. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The company decided not to early adopt PFRS 9 (2009) or PFRS (2010):

(i) After consideration of the result of its impact evaluation, the company decided not to early adopt either PFRS 9 (2009) or PFRS 9 (2010) for its 2013 annual financial reporting because the adoption of this standard is not expected to have a material impact on the Group's financial statements which only addresses classification, measurement and recognition of financial assets and financial liabilities.

(3)

(ii) As such, the company conduct early in 2015 another impact evaluation using outstanding balances as of 31 December 2014.

Subsequent measurement and determination of fair value

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Unrealized gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statements of income as net realized gains or losses on financial assets.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss; translation differences on nonmonetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in equity.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of income. Dividends on available-for-sale equity instruments are recognized in the statement of income when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment

(i) Assets carried at amortized cost

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. Individually significant financial assets are tested for impairment if there are indicators of impairment. Impairment is measured on a portfolio basis when there is indication of impairment in a group of similar assets (with similar credit characteristics) and impairment cannot be identified with an individual asset within the group. An asset that is deemed impaired on an individual basis is not subsequently included in any group of assets that is tested for impairment on a portfolio basis.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (recoverable amount). The calculation of recoverable amount of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs of obtaining and selling the collateral, whether or not foreclosure is probable. Impairment loss is recognized in the statements of income and the carrying amount of the asset is reduced through the use of an allowance.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is

based and to remove the effects of conditions in the historical period that do not currently exist. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

An impairment charge is reversed subsequently by adjusting the allowance account if the decrease in impairment loss can be related objectively to an event occurring after the impairment loss is recognized. The amount of reversal is recognized in the statements of income in the impairment charge for credit losses.

(i) Assets classified as available-for-sale

A significant or prolonged decline in the fair value of available-for-sale securities below cost is considered in determining whether the securities are impaired. The cumulative loss (difference between the acquisition cost and the current fair value) is removed from equity and recognized in the statement of income when the asset is determined to be impaired. Impairment losses recognized on equity instruments are not reversed through the statement of income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the statement of income.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and where management has no intention of trading.

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is the difference between the receivable’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance and the amount of the loss is recognized in the statements of income. Bad debts are written-off in the year they are determined to be uncollectible.

Investment property and Land held for development

Investment property is defined as property (land or a building - or part of a building - or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

The Company’s investment property, principally comprising of properties in Binangonan, Rizal are held for capital appreciation and is not occupied by the Company. Investment property was previously carried at cost, including transaction costs.

In 2008, with management's desire to reflect the true value of its properties in the balance sheet, the Company adopted fair value model in accounting its investment properties. The change has been applied retroactively. Increase in fair value of Binangonan property was again carried in 2012 due to developments on the property. Please see Note 11.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraiser. Fair value is based on market data approach, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the independent appraiser. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income during the financial period in which they are incurred.

Changes in fair values are recorded in the statement of income.

If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property and equipment and stated at cost until construction or development is complete. At that time, it is reclassified and subsequently accounted for as investment property.

164.7 hectares of the Binangonan property is intended for development as of September 30, 2016. The cost of such property and development cost is presented as land held for development.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the year in which they are incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Office equipment	3 years
Furniture and fixtures	5 years
Transportation equipment	5 years
Communication equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the statements of income.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subjected to depreciation or amortization and are tested annually for impairment. Assets that have definite useful life are subjected to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Accounts payable and accrued expenses

Accounts payable and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Borrowing costs are generally recognized as expense in the year in which these costs are incurred, except those borrowing costs that are directly attributable to the development of the Company's properties which are capitalized as part of "Investment property" account.

The capitalization of borrowing costs commences when the expenditures and borrowing costs for the development of the project are being incurred and activities that are necessary to prepare the property for their intended use or sale are in progress. It is suspended during extended periods in which active development of the property is interrupted and ceases when substantially all the activities necessary to prepare the property for their intended use or sale are complete.

Income tax

(a) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

The Company reassesses at each balance sheet date the need to recognize previously unrecognized deferred income tax asset.

(b) Recent tax laws

On December 20, 2008, Revenue Regulations No. 16-2008 on the Optional Standard Deduction (OSD) was approved and implemented. The regulation prescribed the rules for the OSD application by corporations in the computation of their final taxable income. For corporations, OSD shall be 40% based on gross income; "cost of goods sold" and "cost of services" will be allowed to be deducted from gross sales.

On February 18, 2010, the BIR issued Revenue Regulations No. 2-2010. It requires a taxpayer who avails of the OSD in the first quarter of its taxable year to claim the same OSD in determining its taxable income for the rest of the year, including the final annual income tax return. Likewise, a taxpayer who avails of the itemized deduction in the first quarter of its taxable year or fails to file an income tax return for the first quarter of the taxable year shall have to claim the itemized deduction in determining the taxable income for the rest of the year, including the final income tax return. The amendment is applicable beginning annual period ended December 31, 2009.

The Company did not avail of the OSD for purposes of income tax calculation in 2016 and 2015.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

Share capital

a. Common Shares

Common shares are classified as equity.

b. Treasury shares

Where any member of the Company purchases the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's equity holders.

Revenue and expense recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow into the Company and specific criteria have been met for each of its activities as described below.

(a) Interest income and expense

Interest income and expense are recognized in the statement of total comprehensive income for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

Interest income on bank deposits is recognized when earned.

(a) Dividend income

Dividend income is recognized when the right to receive payment is established.

(c) Other income

Other income is recognized when earned.

(d) Expenses

Operating expenses are recognized when they are incurred.

Leases

(a) The Company is the lessor.

Properties leased out under operating leases are included in investment property in the consolidated balance sheets. Lease income is recognized over the term of the lease on a straight-line basis.

(b) The Company is the lessee

Leases, where a significant portion of the risks and rewards of ownership are retained by another

party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to income on a straight-line basis over the period of the lease.

Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income.

Earnings (loss) per share

Earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares outstanding during the year adjusted to give retroactive effect to any stock dividends declared during the year.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is computed by adjusting the net income for the year attributable to common shareholders and the weighted average number of shares for the effects of all dilutive potential common shares.

There are no dilutive potential common shares as of September 30, 2016.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Parent Company has determined its President as its chief operating decision maker.

In view of the current status of the Company's operation which primarily is the ongoing developments of a portion of its land in Binangonan, the performance of the Group is being assessed as a single unit. Consequently, detailed segment reporting as required under PFRS 8 is deemed not relevant.

Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise, or between, and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Financial risk management

The Company's activities are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The management, under the direction of the Board of Directors of the Company is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Company's financial performance due to the unpredictability of financial markets.

Market risk

a. Currency risk

The Company's transactions are generally denominated in Philippine Peso. The Company therefore is not exposed to significant foreign exchange risk.

b. Price risk

The Company is not exposed to significant price risk in its investments in equity securities classified as available-for-sale financial assets having a carrying amount of only P620,380. (See Note 7).

c. Interest rate risk

The Company's borrowings bear fixed interest rates and are carried at amortized cost. It is not exposed to either cash flow or fair value interest rate risk.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter party will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy, or in the prospects of a particular industry segment that may represent a concentration in the Company's portfolio, could result in losses that are different from those provided for at the reporting date.

a. Maximum exposure to credit risk

The Company's maximum exposure to credit risk consists of the Company's cash in banks as of September 30, 2016 of P 9,180,975 (2015 – P38,598,609) and funds held by custodian bank of P16,064,468 (2015 – P15,876,889).

The remaining balances of cash on hand and in banks represent cash on hand of P115, 000 and P90,000 in 2016 and 2015 respectively.

b. Cash in banks

The Company manages credit risk on its cash in banks by depositing in banks that qualified in the criteria of the Company. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

The Company's cash in banks are deposited in universal banks.

c. Receivables

Fully performing accounts receivable at September 30, 2016 represents receivable from sale of land, advances to joint venture, employees and others.

The impaired receivables are not collateralized and are long overdue. Debtors are mainly individuals without credit history reference.

d. Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations to repay creditors and fulfil commitments.

As of September 30, 2016 and December 31, 2015, apart from clearing costs (Note 14), the Company does not require intensive working capital requirements given that the Company is in joint venture agreements with developers to undertake the development of the Company's 30 hectare land in Binangonan.

On April 14, 2010, the Philippine Stock Exchange has approved the Parent Company's stock rights offering and has accumulated a total of P399 million to partially fund the development and construction of real estate development projects in its property in the municipality of Binangonan, Rizal and to repay its maturing loans.

On September 10, 2013, the company sold its 183,729sqm of raw land to Hundred Lake Development Corporation for a total consideration of P87, 271,275. The company received P75 million as down payment upon execution of the Contract to Sell and the balance of P12,271,275.00 was fully collected in 2014 upon transfer of the property to the buyer.

The maturities of financial assets and liabilities at September 30, 2016 and December 31, 2015 are detailed as follows:

		2016	2015
Assets			
Cash on hand and in bank		9,180,975	9,047,223
Receivables, net		72,792,264	40,575,504
Available-for-sale financial assets		620,380	620,380
Funds held by custodian bank		16,064,468	15,907,315
Total financial assets	(12)	98,658,087	66,150,422
Liabilities			
Accounts Payable and Accrued expenses		91,610,397	218,627,809
Notes payable		185,993,378	293,869,900
Advances due to others		69,324,408	75,761,532
Liability for refund of stock rights subscription		16,064,468	15,907,315
Total financial liabilities		362,992,651	604,166,556

All financial assets and liabilities are current as at reporting dates.

Funding of maturing obligation will come either from future sale of developed properties or additional advances from shareholders.

Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities at September 30, 2016 and December 31, 2015 presented in the balance sheets at fair value.

	Carrying Value/Fair Value	
	2016	2015
Financial assets		
Cash on hand and in bank	9,180,975	9,047,223
Receivables, net	72,792,264	40,575,504
Available-for-sale financial assets	620,380	620,380
Funds held by custodian bank	16,064,468	15,907,315
Financial liabilities		
Accounts payable and accrued expenses	91,610,397	218,627,809
Notes payable	185,993,378	293,869,900
Advances due to others	69,324,408	75,761,532
Liability for refund of stock rights subscription	16,064,468	15,907,315

The fair values of accounts payable and accrued expenses, advances due to others and notes payable are approximately equal to their carrying amounts due to the short-term nature of the transactions.

4. **Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the balance sheets.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's main objective is to ensure it has adequate capital moving forward to pursue its major land development and housing projects.

In April 14, 2010, the Philippine Stock Exchange has approved the Parent Company's stock rights offering. This strengthens the Company's capital position in preparation for its planned development projects in the near future.

There are no externally imposed capital requirements on the Company.

5. **Critical accounting estimates, assumptions and judgments**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Significant estimates

(a) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar assets. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgment, the Company makes use of independent appraiser to determine the fair value of its investment property.

The following are the significant assumptions used by the independent appraiser to calculate the investment properties of the Company.

(i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;
(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

The Company's Binangonan property has an estimated market value of P1,000 per square meter, as of September 30, 2016 and December 31, 2015.

Management expects that the value of the Binangonan property will increase significantly when clearing and horizontal developments are undertaken in the very near future.

The Company considers that it is impracticable to discuss with sufficient reliability the possible effects of sensitivities surrounding the estimation of the fair value of investment property as the major assumptions used may differ significantly. With this, it is reasonably possible, based on existing knowledge, that the outcomes within the next financial year are different from assumptions could require a material adjustment to the carrying amount of investment property.

(b) Estimate of clearing costs

As discussed in Note 14, the Supreme Court affirmed the validity of the Company's titles over its Binangonan property. The total land area is approximately 2,043 hectares. However, due to a number of factors, including the recognition of Supreme Court over the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 480 hectares is expected to be recovered/cleared and re-titled in the name of the Company as of September 30, 2016 and December 31, 2015.

Given the above, management has estimated total clearing and re-titling costs to be approximately the same for September 30, 2016 and December 31, 2015 amounting to P718,906,095. This estimate is discounted at 6% and is expected to be cleared within 8 years. The company will be in charge in clearing the land at an estimated cost of P250-P300 per square meter.

The Company considers that it is impracticable to discuss with sufficient reliability the possible effects of sensitivities surrounding the provision for clearing costs as the major assumptions used may differ significantly. With this, it is reasonably possible, based on existing knowledge, that the outcomes within the next financial year are different from assumptions could require a material adjustment to the carrying amount of provision for clearing costs.

(c) Judgment

Recognition of deferred income tax assets (Note 19)

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized. Management believes that the non-recognition of deferred income tax assets in 2011 of P22, 004,028 (2010 - P29, 063,464; 2009 - P29, 395,006) is appropriate due to the Company's limited capacity to generate sufficient taxable income.

6. **Receivables**

Receivables at September 30, 2016 and December 31, 2015 consist of:

	2016	2015
Receivables from joint venture	2,599,529	3,200,747
Advances subject to liquidation	6,580,938	3,695,790
Advances contractor	24,638,750	10,465,750
Advances to joint venture	18,833,000	19,583,000
Others	20,140,047	3,630,217
	72,792,264	40,575,504
Less provision for impairment	-	-
	72,792,264	40,575,504

Receivable from joint venture represents receivable arising from the Group's share of the proceeds of sold units and receivable from Home Development Mutual Fund for 3% and 5% retention on power and water supply. And the other receivables are from the advances to Dell Equipment & Construction Corp., & for the Cash Bond.

7. **Available-for-sale financial assets**

The account at September 30, 2016 and December 31, 2015 consists of:

	2016	2015
Listed	2,880	2,880
Not listed	626,443	626,443
	629,323	629,323
Allowance for impairment losses	(8,943)	(8,943)
	620,380	620,380

Listed available-for-sale financial assets pertain to an insignificant number of equity shares held with a publicly listed universal bank. Unlisted available-for-sale financial assets pertain to club membership and equity shares.

There are no available-for-sale financial asset additions and disposals at September 30, 2016 and 2015. The shares can be sold if price is commercially acceptable to the Group.

8. **Prepayments**

This account at September 30, 2016 and December 31, 2015 consists of:

	2016	2015
Creditable withholding tax	13,722,268	13,722,268
Input taxes	318,553	5,712,557
Prepaid insurance	77,588	77,588
Prepaid taxes		
Others	4,641,076	11,599,140
	18,759,484	31,111,553

9. **Funds Held by Custodian Bank**

The account represents restricted fund from the proceeds of the Parent Company's stock rights offering in 1996 which were deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Parent Company to the SEC in connection with the stock rights offering.

The balance of funds held by custodian bank at September 30, 2016 and December 31, 2015 consists of:

	2016	2015

Special savings deposit	16,066,000	15,888,000
Receivables	40,164	27,583
Savings deposit	10,262	10,725
Payables	(51,958)	(18,994)
	16,064,468	15,907,315

Following SEC's order to refund the money, the proceeds have been presented as liability in the balance sheet. The Company does not have legal right to defer payment beyond one year, hence, presented as current liability.

There were no withdrawals from the fund during the period and 2015.

10. **Land Held for Development**

Land held for development at September 30, 2016 and December 31, 2015 consists of:

	2016	2015
Balance at January 1	1,012,316,259	974,082,661
Additions, including capitalized interest	36,772,857	43,853,355
Reversal of capitalized cost		-
Sold or transferred to completed lots	(20,543,427)	(5,619,757)
Balance at December 31	1,028,545,689	1,012,316,259

In 2010, the Group entered into a joint development project with a third party developer to develop social housing units (the Project). Under the agreement, the Group shall contribute 15.1248 hectares of cleared lots to the Project while the developer will undertake all the necessary construction, including the application for permits. The developer shall also act as the principal agent for the sale of finished housing units. The Group shall receive, as its share in the Project, an amount equivalent to 12% of the total units sold. Total share of the Group from sold units amounted to P11.6 million for the year ended December 31, 2014 (2013- P15.9 million). Total cost of lots sold amounted to P5.8 million (2013- P8.4 million).

Relative to agreement with Wedgemore Property, a subsidiary of Ayala Land, Inc., legal due diligence of titles and tax declarations are being conducted. Reclassification for the Phase 1-A lots has been applied with the Binangonan Local Government and awaiting approval. Total cost of reclassification and DAR conversions for additional areas covered in the supplement to the Memorandum of Agreement with Wedgemore amounting to P4.98 million are being capitalized in the Land held for development.

On July 9, 2014, the Group entered into a joint development agreement with a foreign investor for the development of a four-hectare housing project, the Group's third residential development within its Binangonan property. As of September 30, 2016, the summary of progress of Land Development for Road Tracing is 100%, Roads Completed is 70.06%, & Drainage is 88.53%.

Real properties held for sale and development amounting to P7,222,086 represents completed and fully developed lots under the joint venture agreement.

11. **Investment Properties**

Following are the fair values of the Company's investment property at September 30, 2016 and December 31, 2015:

	September 30, 2016	Dec. 31, 2015
Binangonan property	2,205,928,366	2,077,087,128
	2,205,928,366	2,077,087,128

The Company's investment property as at September 30, 2016 and December 31, 2015 is situated in Binangonan, Rizal with fair value amounting to P2.077 billion (2014 - P1.870 billion). The property was acquired in 1978 primarily for the development of a subdivision project. These properties have a total area of about 2,043 hectares and were registered in the Company's name under various Transfer Certificate of Titles.

On November 21, 1991, the Supreme Court affirmed previous decisions by the Court of Appeals and the Regional Trial Court confirming the validity of the Group's titles over its Binangonan property. However, in the same Supreme Court decision, it was also declared that the Group's ownership of the titles shall be subject to the declared superior rights of bonafide occupants with registered titles within the area covered by the questioned decree and bonafide occupants therein with lengths of possession which had ripened to ownership. The area of present claimants to certain parcels of land within the Group's titled property is currently being identified and verified by the Group's legal counsel. As of September 30, 2016, the Group estimates to incur over P630, 841,917 in connection with the settlement of titles with bonafide occupants as well as land clearing in the Binangonan property as discussed above.

Total borrowing costs capitalized at September 30, 2016 amounts to P 178,760,125 (2015 – P163,367,684).

The movements in fair value of investment property at September 30, 2016 and December 31, 2015 are summarized as follows:

	2016	2015
Balance at January 1	2,077,087,128	1,870,759,079
Additions, including capitalized interest	128,841,238	42,238,745
Clearing cost on additional recoverable hectares		35,000,000
Clearing cost adjustment		64,089,304
Disposal of property		
Total	2,205,928,366	1,773,259,079
Fair value gain (loss)		65,000,000
Fair value	2,205,928,366	2,077,087,128

Increase in fair value of the investment property is due to ongoing developments on the property. The fair value is expected to increase significantly when all development plans are completed. Additions refer to capitalized borrowing costs resulting from the said developments and clearing costs for farmer beneficiaries.

Deductions refer to the cost of 18.37 hectares of raw land sold to Hundred Lake Development Corporation which is recorded at appraised value of P650 per square meter. The property was sold on September 10, 2013 at P475 per square meter. The Group received P75 million as down payment upon execution of the Contract to Sell and the balance of P12,271,275 was fully collected in 2014 upon transfer of the property to the buyer.

On December 29, 2010, the Company entered into an agreement with PrimeEast under Memorandum of Agreement to continue acquiring more rights of other parties to certain portions of the Company's lots in Binangonan, Rizal with an aggregate area of 74.3026 hectares. The total amount reclassified to land held for development amounts to P223 million representing P300 per square meter as its deemed cost. Amount reclassified represents land intended for future development.

Under the 2008 MOA between the parent company and PrimeEast, PrimeEast, together with BLC, transferred in favor of the Company all of their rights and interests over certain lots located in Binangonan, Rizal, containing an area of 50.84 hectares in consideration for the Company's payment of P177.00 million. The Company paid P32 million as of December 31, 2008. Payment term for the balance is not fixed, thus considered due and demandable at balance sheet date. The Company paid the balance thru the proceeds of stock rights in June 2010.

In September 2015, the Company identified additional 10 hectares of land that can be recovered/cleared and re-titled in the name of the Company. Additional provision for clearing costs amounting to P35 million pertaining to the 10 hectares of land is recognized. The increase in investment property and additional provision are considered as non-cash transactions.

12. **Property and equipment**

Details and movements of property and equipment as of and for the period ended September 30, 2016 and December 31, 2015 follow:

	Office equipment	Furniture and fixtures	Transportation equipment	Communication equipment	Total
Cost					
Balances at January 1, 2013	2,084,354	2,122,399	431,818	202,278	4,840,849
Additions		-	-	-	
Balances at December 31, 2013	2,084,354	2,122,399	431,818	202,278	4,840,849
Additions	68,625	-	1,831,942	-	1,900,567
Balance at December 31, 2014	2,152,979	2,122,399	2,263,760	202,278	6,741,416
Additions	-	-	-	-	-
Balances at December 31, 2015	2,315,599	2,196,673	2,958,403	202,278	7,672,953
Additions	460,663			17,857	478,520
Balance at September 30, 2016	2,776,262	2,196,673	2,958,403	220,135	8,151,473
Accumulated depreciation					
Balances at January 1, 2013	1,983,501	2,001,772	431,817	202,273	4,619,363
Depreciation	42,189	46,731	-	-	88,920
Balances at December 31, 2013	2,025,690	2,048,503	431,817	202,273	4,708,283
Depreciation	43,383	42,996	122,130	-	208,509
Balances at December 31, 2014	2,069,073	2,091,499	553,947	202,273	4,916,792
Depreciation-2015	54,328	40,503	386,655	-	231,277
Balances at December 31, 2015	2,123,402	2,132,002	940,602	202,273	5,398,279
Depreciation -Sept 30, 2016	111,564	18,031	385,504	496	515,595
Balances at September 30, 2016	2,234,966	2,150,033	1,326,106	202,769	5,913,874

Net book value					
December 31, 2015	192,197	64,672	2,017,801	5	2,274,675
September 30, 2016	541,296	46,640	1,632,297	17,366	2,237,599

13. **Other Assets**

Other assets at September 30, 2016 and December 31, 2015 consist of:

	2016	**2015**
Security deposits	1,007,763	1,007,761
Computer software, net	43,857	46,592
Others	62,050	62,050
	1,114,667	1,116,403

14. **Accounts payable & accrued expenses, provision for clearing costs and liability for land acquisition**

Accounts payable & accrued expenses consist of:

	Note	2016	2015
Accounts payable		24,132,243	21,843,378
Accrued expenses and other payables			
Interest, penalties and related changes		19,804,231	144,235,763
Real property taxes		28,581,546	28,581,546
Payable to government agencies		1,494,862	683,629
Salaries, wages and benefits			1,887,746
Office Rental		1,322,179	1,983,270
Professional fees		9,829,296	9,829,296
Others		6,446,040	9,583,181
		91,610,397	218,627,809

Liability for land acquisition represents the outstanding payable to PrimeEast which are payable on demand.

Interest, penalties and related charges represent interest arising from Company's notes payable to MHC, Marilaque Land, Inc., T & M Holdings, Inc. and TPHC (Note 15) bearing annual interest ranging from 12% to 22%.

In 2011, the Company recorded a reversal of accrued interest and penalties amounting to P32.93 million pertaining to notes payable to Penta Capital Investment Corporation, the principal of which was paid in 2010. The reversal took place after the creditor signed a waiver condoning all the unpaid interest.

In 2012, the Parent Company recorded a reversal of accrued interest, which was previously capitalized as part of investment properties, amounting to P15.51 million related to notes payable to PrimeEast Properties, Inc. The reversal took place after the creditor signed a waiver condoning all the unpaid interest. The reversal is considered as non-cash transaction.

Provision for clearing costs represents the Company's expected cost to clear a portion of its Binangonan property from bonafide occupants with superior rights over the Company's investment property (see Note 11). The amount is based on estimated clearing and titling cost of P300 to P350 per square meter consistent with the agreement with PrimeEast, the contractor. Such amount represents the peso value (net present value) at each reporting date as quoted by PrimeEast.

Expected timing of actual cash flow as of September 30, 2016 and December 31, 2015 follows:

	2016	2015
Within 1 year (current)	110,253,111	110,253,111
2 to 4 years	338,652,984	338,652,984
5 to 8 years	270,000,000	270,000,000
Total noncurrent, net of current portion	608,652,984	608,652,984
Total cashflow	718,906,098	718,906,095

15. **Notes payable**

Notes payable at September 30, 2016 and December 31, 2015 consist of:

	2016	2015
Mabuhay Holdings Corporation	116,993,378	224,869,900
Prime East Properties, Inc.	50,000,000	50,000,000
T & M Holdings, Inc.	15,500,000	15,500,000
Tagaytay Properties Holdings Corp.	3,500,000	3,500,000
	185,993,378	293,869,900

The notes payable to Mabuhay Holdings Corporation (MHC) is an unsecured borrowing with no definite payment terms and bears interest at 12-18% per annum. MHC is the largest shareholder of the Parent Company.

In March 2016, proceeds from the private placement by Sigma Epsilon Fund Limited was used by the company to settle partial of its Notes payable and accrued interest to Mabuhay Holdings Corporation amounting to Php 107,876,522 and 142,123,478 respectively.

In September 2015, the company paid partial of its accrued interest to the Parent Company Mabuhay Holdings Corporation (MHC) amounting to Php 110,422,500

In 2013, the Parent Company issued notes payable to T&M Holdings, Inc., a related party, amounting to P15.5 million. These new borrowings are unsecured and carry an interest rate of 15% per annum.

During the first quarter of 2015, the Company issued another promissory note to Tagaytay Properties Holdings Corp. amounting to P3.5 million with 15% interest rate per annum.

PrimeEast loan arose directly from reacquisition of land in Binangonan and is unsecured and have no definite payment terms.

Interest, penalties and related charges from these borrowings for the period ended September 30, 2016 and December 31, 2015 amounted to P22.6 million and P144.2 million, respectively. The borrowing costs amounting to P163.3 million are capitalized as part of the cost of Investment property.

Notes payable is presented as current as balance is deemed payable on demand.

16. **Share capital; Earnings per share**

(a) Share capital

Details of share capital at September 30, 2016 consist of:

	Authorized		Issued	
2016	Number of Shares	Amount	Number of Shares	Amount
Common shares, at P1 par value per share	1,500,000,000	1,500,000,000	1,127,113,978	1,127,113,978
Total	1,500,000,000	1,500,000,000	1,127,113,978	1,127,113,978

On September 7, 2015, the Securities and Exchange Commission approved the application for increase in capital from 1,000,000,000 shares to 1,500,000,000 with a par value of P1.00 per share.

On April 14, 2010, the Philippine Stock Exchange has approved the Parent Company's stock rights offering which generated a total of P399 million to partially fund the development and construction of real estate development projects in its property in the municipality of Binangonan, Rizal and to repay its maturing loans.

On January 27, 2013, the Securities and Exchange Commission ("SEC") approved the Amended Articles of Incorporation of the Parent Company on change of corporate name from Interport Resources Corporation to IRC Properties, Inc., changes in the primary purpose and declassification of stock.

There were no new shares issued during the quarter.

(b) Treasury shares

The Company acquired some of its shares of stock as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Company's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Earnings per share

Loss per share (basic and diluted) is computed as follows:

	2016	2015	2014
Net (loss) income for the year	68,817,186	28,793,939	46,778,805

Divide by weighted average shares	1,127,113,978	1,127,113,978	999,913,978
Basic Income (Loss) per share	(.0610)	.025	(.046)
Diluted Income (Loss) per share	(.0610)	.025	(.046)

There are no dilutive potential common shares as of September 30, 2016.

In 1997, the Securities and Exchange Commission (SEC) approved the change of the par value of shares of stock from P0.01 to P1. The said change was approved by the Philippine Stock Exchange (PSE) on August 8, 2008. The Company has additional share issuance of 199,913,992 shares after its initial public offering, arising from the exercise of warrants. The exercise period of bonus warrants had lapsed on June 18, 2013.

On February 19, 1996, the SEC approved the Company's application for the issuance of 40 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Company commenced its stock rights offering on June 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Company and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow (see Note 9). The proceeds from the said offering, which were not yet claimed by the subscribers, are shown as "Liability for refund of stock rights subscription" in the liability section of the consolidated balance sheets.

17. **Fair value and other reserves**

	2016	2015
Cost of shares reserved for future claims	(14)	(14)
Reserve for fluctuation in market value of listed securities	(8,943)	(8,943)
	(8,957)	(8,957)

18. **Contingencies**

The Company has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable thus no provisions were made during the period.

The Company has also unbooked contingent assets pertaining to Binangonan properties. Such assets will be recognized when assets are cleared and/or under the legal and economic possession of the Company.

19. **Related party transactions and employee benefits**

In the normal course of business, the Company has transactions with its major shareholders and related parties under common control. Related parties where the Company made transaction during the year were Mabuhay Holdings Corporation and its subsidiaries and PrimeEast Properties, Inc.

Significant related party transactions are discussed in Notes 10, 11, 14, and 15 to the financial statements.

Related party transactions, except those mentioned in Notes 10, 11, 14, and 15 are due within 30 days or payable on demand.

Lease commitments

The Company has entered into a non-cancellable lease agreement with a related party for its office space. The lease agreement has a term of 3 years, expiring on 2015, and is renewable annually.

Salaries and employee benefits

Details of salaries, wages and employee benefits for the period ended September 30, 2016 and December 30, 2015 follow:

	2016	2015
Salaries and wages	3,117,255	1,181,571
Bonus and allowances	599,137	493,687
SSS, Philhealth and HDMF	120,168	54,140
	3,836,560	1,729,398

The total compensation of the Company's executive officers for the period ended September 30, 2016 and September 30, 2015 amounting to P 600,000 and P600,000 respectively.

There are no share-based payments to key management personnel nor are there any outstanding stock options.

As at September 30, 2016, the Company has 20 employees. Due to the increase in employees as mandated by RA 7641 the Company has set up a retirement benefit for its employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(For the Quarter Ended September 30, 2016)

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine GAAP.

The Company is currently in the real estate development business after having shifted away from its oil exploration activities. Its concentration is in the development of its approximately 2,200 hectare property in Binangonan, Rizal. The property is titled and is registered in the name of the Company.

After its successful stock rights offering on June 2010 that generated a total amount of P400M, the Company is in full gear to undertake the development of its Binangonan Property. On August 5, 2010, IRC entered into a Joint Venture Agreement with Dreamhauz Management and Development Corporation (DMDC) for the development of a 150,000 square meter land of the Corporation in Binangonan, Rizal, into a residential subdivision called Sunshine Fiesta Subdivision. From the total 869 units in the Sunshine Fiesta project, 103 units are assigned to IRC, representing the 12% share of the company. Of these 103, 101 have been sold including one cash sale as of September 30, 2016. Total contract price of P71,607,650 taken out from Home Development Mutual Fund (Pag-IBIG) and P664,200 from cash sale brings to total revenue of P62,271,850 as of September 30, 2016.

As for Fiesta Casitas Subdivision, a joint venture project with Dell Equipment and Construction Corporation, 123 units out of 1,015 units are assigned to IRC, representing the 12% share of the company. The expected total revenues for the 123 IRC-assigned units are estimated at P97,600,000 with an average sale of P800,000 per unit. Of these 123, 10 have been sold as of September 30, 2016. Total contract price of P7,570,000 taken out from Home Development Mutual Fund (Pag-IBIG) brings to total revenue of P7,570,000 as of September 30, 2016.

On July 9, 2014, the Group entered into a joint development agreement with a foreign investor for the development of a four-hectare housing project, the Group's third residential development within its Binangonan property. Of these 486, 69 have been sold including four (4) cash buyers as of September 30, 2016. Total contract price of P56,374,800 taken out from Home Development Mutual Fund (Pag-IBIG) and P3,545,700 from cash sale brings to total revenue of P59,920,500 as of September 30, 2016.

Design planning for Eastridge residences is on hold as prospective investors are being eyed for the project. The company is talking to a possible investor (Japanese group) to develop the condominium project.

Management believes that these projects will generate significant amount of sustainable income stream and operating cash flows to the Company. There is a huge demand for housing in the region and the property is well situated in relation to the future growth direction of the metropolis.

On February 16, 2016 IRC Properties, Inc. ("IRC") entered into a Subscription Agreement with Sigma Epsilon Fund Limited (the "Subscriber"), a corporation organized and existing under the laws of Cayman Island with principal office located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-111, Cayman Islands, represented herein by its Director, Mr. Lee Puay Ching, hereby subscribes to Two Hundred Million common shares of IRC PROPERTIES, INC. with a par value of One Peso per share at a subscription price of P1.40 per share, or for a total subscription price of Two Hundred Eighty Million Pesos. (Php 280,000,000.00)

On July 3, 2015 IRC Properties, Inc. ("IRC") entered into a Subscription Agreement with Rizal Partners Company Limited (the "Subscriber"), a corporation organized and existing under the laws of Japan with principal office located at 1-11 Kioi-cho Chiyoda-ku, Tokyo, whereby the Subscriber agreed to subscribe to One Hundred Twenty Seven Million Two Hundred Thousand (127,200,000) common shares (the "Shares") of IRC with a par value of One Peso (Php1.00) per share, at a subscription price of Php1.40 per share, or for a total subscription price of One Hundred Seventy Eight Million Eighty Thousand Pesos (Php178,080,000.00). The Shares which shall be fully paid for in cash by the Subscriber will be issued as a Private Placement to be taken out from an increase in the authorized capital stock of the Corporation as previously authorized by the stockholders and the Board of Directors of IRC

On September 7, 2015, the Securities and Exchange Commission ("SEC") approved the Amended Articles of Incorporation to increase the capital stock from P 1,000,000,000 to P1,500,000,000 with a par value of P1.00.

On January 27, 2013, the Securities and Exchange Commission ("SEC") approved the Amended Articles of Incorporation of the Parent Company on change of corporate name from Interport Resources Corporation to IRC Properties, Inc., changes in the primary purpose and declassification of stock.

On September 10, 2013, the Company entered into a Contract to Sell with Hundred Lake Development Corporation, whereby the company agreed to sell its land located in Binangonan, Rizal, with an area of 183,729 square meters at P475/m2. The company received P75 million as down payment upon execution of the Contract to Sell and the balance of P12,271,275.00 was fully collected in 2014 upon transfer of the property to the buyer.

As at September 30, 2015, the Group's negotiations with a leading local real estate developer relative to the acquisition of a portion of the 2,000-hectare Binangonan lot have not materialized. The deal is expected to be completed this year. The Group believes that the entry of the leading local real estate developer will jumpstart the development of a new mixed-use community south of Metro Manila.

Presently, the Company has a total of Seventeen (17) personnel excluding the Chairman, President and Corporate Secretary. Management intends to hire additional personnel as need arises.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Its overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The Management, under the direction of the Board of Directors is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Company's financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies.

Financial Condition

Interim Report (September 30, 2016)

The Company employed total assets of 3,362,465,978 financed by total liabilities of P753,245,762 and total stockholders' equity of P1,559,148,779. Noncurrent assets amounted to P2,209,280,632 consisting of investment property, property and equipment (net of accumulated depreciation) and other assets. Current assets stood at P1,153,185,346.

Results of Operation

A comparative review of the Company's financial operations for the quarter ended September 30, 2016 *vis-à-vis* the same period last year showed the following:

Net income for the quarter was P 68.8 million from net income of 62.2 million of the same period last year. The increase in net income was due to fair value gain from increase in recoverable land area, sale of land to Amaia Land Corp and an increase in sales from our Casas Aurora project. Total cost and expenses increased by P 32.3 million from 8.4 million from the same period of last year due to the corresponding increase in cost of sales. Cost of sales significantly increased due inclusion of cost of land sold to Amaia Land Co. The increase in expenses was also attributable to increase of Salaries and wages due to increase in personel likewise the increae in office supplies, and depreciation.

For the year ending September 30, 2016 vs. year ending September 30, 2015, total revenue is likewise higher by 10.83% or P6,722,422 due to sale of (69) units of house and lot at Casas Aurora project. Total cost and expenses by 284% or P 23,954,707.

Material changes (September 30, 2016 vs. December 31, 2015)

Cash increased by 1.4% or in the amount of P133 Thousand mainly due to the proceeds from sale of house and lot units, offsetted by payment of |loan, interest expense, office rental, and for the development and constructions of Casas Aurora Project.

Receivables increased by P32.2 million or 79.4% largely due to the Pag-Ibig retentions, advances to Greenroof Corporation, a joint venture partner for the development of Fiesta Casitas Project, Advances to VGPineda Construction Corporation and advances to Dell Equipment & Construction Corp for the development of Casas Aurora Project.

Property and equipment decreased by 37 thousand or 1.6% due to depreciation expense offsetted by purchases of office equipment and computer equipment.

Prepayment decreased by 39.7% or P12.4 million due to reclassification of prepayments to receivables the advance payment to VGPineda Construction Corporation.

Account Payable and accrued expense decreased by P127 million or 58.1 % due to payment of principal and accrued interest to Mabuhay Holdings Corporation.

Advances due to others decreased by 8.5% or P6.4 million due payment of advances to Tamurakenzai amounting to 41 Million offsetted by receipt of advance payment by Amaia land for the purchase of land and collection of reservation, equity and processing fees.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

a. The Company's capital expenditures commitments are land clearing cost and the Casas Aurora Project discussed in Note 10. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its properties.

b. The Management does not foresee any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

c. The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.

d. The Management is not aware of any known trends, demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favourable or unfavourable impact on the company's liquidity, net sales or revenues or income from continuing operations.

e. The Company does not have any significant elements of income or loss that did not arise from the company's continuing operations.

REGISTRANT'S COMPARATIVE FINANCIAL SOUNDNESS INDICATORS

	Sept 30, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Working Capital	399,939,584	424,872,987	420,395,564	485,652,780
Current Ratio	1.531	1.594	1.635	1.793
Quick Ratio	.141	.134	.138	.059
Asset to Equity Ratio	2.157	2.160	2.303	2.246
Debt to Assets Ratio	.536	.537	.566	.555
Debt to Equity Ratio	1.157	1.160	1.303	1.246
Gross Profit Margin	.648	.937	.946	.796
Operating Profit Margin	.460	.535	.698	.767
Net Profit Margin	.449	.321	.428	.511
Return on Assets	.02048	.008	.015	.116
Return on Equity	.04417	.019	.36	.261
Interest Coverage Ratio	-nil-	-nil-	-nil-	-nil-

Current/ Liquidity Ratios- shows the ability of the company to pay off its debts over the next year.

Working Capital- computed as current assets minus current liabilities.

Current Ratio- computed as current assets divided by current liabilities.

Quick Ratio- computed as current assets minus prepayments and land held for development divided by current liabilities.

Solvency Ratios- measure the company's ability to pay all debts, particularly long term debts.

Debt to Equity- computed as total liabilities divided by total equity.

Debt to Assets- computed as total liabilities divided by total assets.

Asset to Equity Ratio- measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

Interest Coverage Ratio- measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments

Profitability Ratios

Gross Profit Margin- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

Operating Profit Margin- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

Net Profit Margin- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

Return on Assets- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

Return on Equity- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

REPORT ON SEC FORM 17-C:

Date	Particulars
September 21, 2016	Change in stock transfer agent
July 22, 2016	Results of organizational meeting of Board of Directors
July 22, 2016	Results of annual or special stockholders meeting
April 15, 2016	Notice of annual or Special Stockholder's Meeting
February 29, 2016	Comprehensive Corporate Disclosure on issuance of shares
February 11, 2016	Change in Directors and/or officers
February 5, 2016	Result of Board of Directors meeting last February 4, 2016

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

a. Assets Subject to Lien and Restrictions on Sales of Assets
b. Changes in Accounting Principles and Practices
c. Defaults
d. Preferred Shares
e. Pension and Retirement Plans
f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
g. Significant Changes in Bonds, Mortgages and Similar Debt
h. Registration with the Board of Investments (BOI)
i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
k. Segment Reporting
l. Disclosure not made under SEC Form 17-C: None

ITEM 5- RECOGNITION OF IMPACT OF THE FOLLOWING NEW STANDARDS

The following new standards do not have and are not expected to have a material impact on the Group's financial statements.

	Adopted/Not adopted/ Not applicable
a. Separate Financial Statements PAS 27 (Amended)	Adopted
b. Investments in Associate and Joint Venture PAS 28	Adopted
c. Government Loans (Amendments to PFRS 1)	Not applicable
d. Disclosure-Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7)	Adopted
e. Consolidated Financial Statements (PFRS 10)	Adopted
f. Joint Arrangements (PFRS 11)	Adopted
g. Disclosure of Interests in Other Entities (PFRS 12)	Adopted
h. Fair Value Measurement (PFRS 13)	Adopted
i. Financial Instruments (PFRS 9)	Not Adopted

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.

Issuer: **IRC PROPERTIES, INC.**

ESTEBAN G. PENA SY
Chairman

ALEXANDER G. ASUNCION
President

GEORGINA A. MONSOD
Treasurer