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**Company's Telephone  
Number(s)**

**mabuhayholdings@yahoo.com**

750-2000
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The designated contact person ***MUST*** be an Officer of the Corporation

**ARACELI C. MOLINA**

**cely11molina20@yahoo.com**

750-2000

**0918-9855273**

35<sup>th</sup> Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q (AMENDED)**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the Quarter Ended **September 30, 2015**
2. Commission Identification Number: **150014**
3. BIR Tax Identification Number: **047-000-473-206**
4. Exact Name of issuer as specified in its charter: **MABUHAY HOLDINGS CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Address of Principal Office: **35/F Rufino Pacific Tower, Ayala Avenue, Makati City**
8. Issuer's Telephone Number, Including Area Code: **(632) 750-2000**
9. Former Name, former address, former fiscal year, if changed from last report:
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<b>Common shares</b>	<b>1,200,000,000</b>
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11. Are any or all of these securities are listed on the Philippine Stock Exchange.

Yes    ☐   /   ☐                      No    ☐                      ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

**Philippine Stock Exchange   Common stock**

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 Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 to 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes    ☐   /   ☐                      No    ☐                      ☐

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

Yes    ☐   /   ☐                      No    ☐                      ☐

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**PART I – ITEM 1 - FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEETS  
AS OF SEPTEMBER 30, 2015 AND DECEMBER 31, 2014  
(All amounts in Philippine Peso)**

	Notes	Sept 30, 2015*	Dec 31, 2014 **
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash on hand and in banks	1	17,281,429	15,474,363
Financial assets at fair value through profit or loss	2	1,714,539	2,091,600
Notes and other receivables	3	373,246,875	440,503,894
Prepayments		1,985,467	1,739,271
Total current assets		394,228,310	459,809,128
<b>NON-CURRENT ASSETS</b>			
Investments in associates - net	4	1,064,122,443	1,041,216,963
Property and equipment - net	5	4,721,468	5,971,908
Investment properties - net	6	231,482,000	231,482,000
Other non-current assets		121,376	158,663
Total non-current assets		1,300,447,287	1,278,829,534
Total assets		1,694,675,597	1,738,638,662
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Borrowings	7	338,480,339	322,389,163
Accounts payable and other liabilities	8	88,470,098	106,766,015
Due to related parties	13	8,452,524	8,917,688
Deposits on future shares subscriptions	9	194,695,274	194,695,274
Total current liabilities		630,098,235	632,768,140
<b>NON-CURRENT LIABILITY</b>			
Deferred income tax liabilities, net		52,511,548	52,511,548
Total liabilities		682,609,783	685,279,688
<b>EQUITY</b>			
Capital attributable to Parent Company's equityholders			
Share capital		975,534,053	975,534,053
Treasury shares		(58,627,864)	(58,627,864)
Retained earnings (deficit)		7,827,456	44,245,614
		924,733,645	961,151,803
Non-controlling interest		87,332,169	92,207,171
Total equity		1,012,065,814	1,053,358,974
Total liabilities and equity		1,694,675,597	1,738,638,662

\* Unaudited

\*\* Audited

# M A B U H A Y

## HOLDINGS CORPORATION

### CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2015 AND 2014

(All amounts in Philippine Peso)

		U N A U D I T E D			
		Quarter Ending		Year-To-Date	
		July 1 – Sept 30		July 1 – Sept 30	
	Note	2015	2014	2015	2014
<b>REVENUES</b>					
Rental		1,767,024	1,735,562	5,248,247	4,376,487
<b>EXPENSES</b>					
Salaries and employee benefits	15	879,552	723,073	2,688,201	2,315,110
Depreciation		435,850	471,142	1,303,981	1,486,008
Professional fees		584,621	511,873	1,182,345	1,998,730
Others	11	1,407,400	926,037	4,780,379	4,188,555
		3,307,423	2,632,125	9,954,906	9,988,403
<b>LOSS FROM OPERATIONS</b>		(1,540,399)	(896,563)	(4,706,659)	(5,611,916)
<b>OTHER INCOME (EXPENSES)</b>					
Finance income, net		(37,474,677)	(192,385)	(38,291,001)	(1,054,642)
Fair value losses					
Share in net earnings (losses) of associates	4	23,059,997	(2,679,012)	23,127,481	(5,142,881)
Foreign exchange gains (losses)		(15,539,325)	(9,589,046)	(20,592,975)	(4,302,061)
Gain (loss) on disposal of assets	16		954,535	59,693	1,782,073
Unrealized gain (loss) on securities		(145,044)	(31,360)	(377,060)	448,701
Others		5,064		17,433	6,048
		(30,093,985)	(11,537,268)	(36,056,429)	(8,262,762)
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		(31,634,384)	(12,433,831)	(40,763,088)	(13,874,678)
<b>PROVISION FOR INCOME TAX</b>		161,572	127,834	530,072	385,458
<b>NET INCOME (LOSS)</b>		(31,795,956)	(12,561,665)	(41,293,160)	(14,260,136)
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>TOTAL COMPREHENSIVE INCOME</b>		(31,795,956)	(12,561,665)	(41,293,160)	(14,260,136)
<b>NET INCOME/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Equityholders of the Parent Company		(28,724,209)	(8,798,900)	(36,418,158)	(1,615,008)
Non-controlling interest		(3,071,747)	(3,762,765)	(4,875,002)	(12,645,128)
		(31,795,956)	(12,561,665)	(41,293,160)	(14,260,136)
Earnings (loss) per share - basic and diluted		(.0294)	(.0090)	(.0373)	(.0017)



**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015 AND 2014  
(All amounts in Philippine Peso)  
Unaudited**

	Equity Holders of the Company				
	Share capital (Note 10)	Treasury shares (Note 10)	Deficit	Non-controlling interest	Total
Audited Balances at December 31, 2013	958,189,053	(61,782,864)	(3,481,818)	62,251,679	955,176,050
Comprehensive loss					
Net income (loss) for the period	-	-	(1,615,008)	(12,645,128)	(14,260,136)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,615,008)	(12,645,128)	(14,260,136)
Balances at Sept 30, 2014	958,189,053	(61,782,864)	(5,096,826)	49,606,551	940,915,914
Audited Balances at December 31, 2014	975,534,053	(58,627,864)	44,245,614	92,207,171	1,053,358,974
Comprehensive loss					
Net income (loss) for the period	-	-	(36,418,158)	(4,875,002)	(41,293,160)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(36,418,158)	(4,875,002)	(41,293,160)
Unaudited Balances at Sept 30, 2015	975,534,053	(58,627,864)	7,827,456	87,332,169	1,012,065,814

**MABUHAY**  
HOLDINGS CORPORATION

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 AND 2014**  
**(All amounts in Philippine Peso)**

	Notes	Sept 30, 2015	Sept 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income (loss) before tax		(40,763,088)	(13,874,679)
Adjustments for:			
Share in net losses (earnings) of associates	4	(23,127,480)	5,142,881
Unrealized loss (gain) on securities		377,061	(448,701)
Depreciation		1,303,981	1,486,008
Unrealized foreign exchange loss (gain)		20,732,304	2,688,072
Interest expense		69,879,327	32,652,783
Interest income		78,850,048	(31,253,010)
Loss (gain) on sale of assets	16	(59,693)	(1,782,073)
Operating profit (loss) before working capital changes		107,192,460	(5,388,719)
Decrease (increase) in:			
Notes and other receivables		98,845,345	(5,574,954)
Prepaid expenses		(246,196)	(67,359)
Other non-current assets		37,287	4,579
Increase (decrease) in:			
Accrued expenses and other payables		(150,436,877)	(32,275,032)
Due to related parties		(465,164)	1,802,426
Cash used in operating activities		54,926,855	(41,499,059)
Interest received		(110,438,375)	(345,131)
Income taxes paid		(530,072)	(385,458)
Net cash generated from (used in) operating activities		(56,041,592)	(42,229,648)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment		(53,540)	(21,430)
Net increase in financial asset at fair value through profit or loss			(4,783,347)
Proceeds from disposal of investments, net of acquisition		281,694	8,732,893
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		228,154	3,928,116
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings			
Collection of subscriptions receivables			
Interest paid		57,620,504	17,590,141
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		57,620,504	17,590,141
<b>NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS</b>		1,807,066	(20,711,391)
<b>CASH ON HAND AND IN BANKS</b>			
January 1		15,474,363	25,034,901
September 30		17,281,429	4,323,510



**CONSOLIDATED AGING OF NOTES AND OTHER RECEIVABLES  
AS OF SEPTEMBER 30, 2015**

	<b>TOTAL</b>	<b>1-30 DAYS</b>	<b>31-60 DAYS</b>	<b>OVER 61 DAYS</b>
IRC Properties, Inc.	369,847,955	3,565,820	3,674,898	362,607,237
Sta. Mesa Heights Holdings Corp.	574,872			574,872
Carag Zaballero San Pablo	1,600,000			1,600,000
Castillo Laman Tan Pantaleon	125,000		10,000	115,000
Others	1,099,048	17,843		1,081,205
Totals	<u>373,246,875</u>	<u>3,583,663</u>	<u>3,684,898</u>	<u>365,978,314</u>



## **Mabuhay Holdings Corporation and Subsidiaries**

### **Notes to Consolidated Financial Statements**

As at and for each of the period ended June 30, 2013, December 31, 2012 and June 30, 2012  
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

#### **Note 1 - Cash on hand and in banks**

The account at Sept 30 and December 31 consists of:

	Sept 30, 2015	Dec 31, 2014
Cash in banks	17,266,429	15,459,363
Cash on hand	15,000	15,000
	17,281,429	15,474,363

#### **Note 2 - Financial assets at fair value through profit or loss**

The account as at Sept 30, 2015 and December 31, 2014 consists of listed equity shares with fair value based on current bid prices in an active market.

#### **Note 3 - Notes and other receivables**

The account at Sept 30 and December 31 consists of:

	Note	Sept 30, 2015	Dec 31, 2014
Notes receivable		372,413,905	441,800,353
Due from related parties	18	2,378,972	756,993
Advances and other receivables		3,890,499	3,383,049
		378,683,376	445,940,395
Allowance for impairment losses		(5,436,501)	(5,436,501)
		373,246,875	440,503,894

Notes receivable represents loans granted to IRC with no definite payment terms and bears annual interest rates ranging from 12% to 18%. The account also includes accrued interest receivable. These loans are due and demandable at reporting dates.

The loans were used by IRC for the site clearance, retitling and development costs of its vast Binangonan property.

Due from related parties arise from transactions with non-consolidated entities.

#### **Note 4 - Investment in associates**

Details of the account at Sept 30 and December 31 follow:

	Sept 30, 2015	Dec 31, 2014
Acquisition cost		
Balance beg.	607,812,573	611,806,857
Share acquisitions		4,783,346
Disposals	(222,000)	(8,777,630)
Balance end	607,590,573	607,812,573
Accumulated share in net income (losses) of associate		

Balance, beg.	433,404,390	415,969,132
Share in net earnings (losses) of associate	23,127,480	17,435,258
Balance, end	456,531,870	433,404,390
<b>Total</b>	<b>1,064,122,443</b>	<b>1,041,216,963</b>

The Company sold a portion of its investment in associate which resulted in a gain of 12.1 million in 2013. Proceeds from disposals of the investment amount to P38 million.

The summarized financial information of IRC as at and for the years ended December 31 follows:

	Sept 30, 2015	Dec 31, 2014
	(in millions of Peso)	
Total assets	3,146	2,956
Total liabilities	1,622	1,672
Total equity	1,524	1,283
Revenue	90	109
Net income (loss)	62	47

#### **Note 5 - Property and equipment**

Details of property and equipment as at and for the years ended Sept 30, 2014 and December 31, 2013 follow:

	Sept 30, 2015	Dec 31, 2014
<b>COST</b>		
Furniture & fixtures	1,662,116	1,662,116
Office equipment	873,020	1,144,493
Communication and other equipment	179,289	845,643
Office condominium	13,746,305	13,746,305
Building improvements	3,859,242	3,859,242
Transportation equipment	5,246,131	5,246,131
	<b>25,566,103</b>	<b>26,503,930</b>
<b>ACCUMULATED DEPRECIATION</b>		
Furniture & fixtures	1,662,054	1,662,054
Office equipment	708,827	970,470
Communication and other equipment	176,494	837,813
Office condominium	11,880,327	11,498,645
Building improvements	2,615,553	2,330,855
Transportation equipment	3,801,380	3,232,185
	<b>20,844,635</b>	<b>20,532,022</b>
<b>NET BOOK VALUE</b>		
Furniture & fixtures	62	62
Office equipment	164,193	174,023
Communication and other equipment	2,795	7,830
Office condominium	1,865,978	2,247,660
Building improvements	1,243,689	1,528,387
Transportation equipment	1,444,751	2,013,946
	<b>4,721,468</b>	<b>5,971,908</b>

#### **Note 6 - Investment properties**

The Group's investment properties include several parcels of land and condominium units held for lease. Land includes properties of MHC, TICI and TPHC held for appreciation purposes, including those strategically located and potentially high value land in Tagaytay City and Batangas with a total

land area of 29 hectares. The condominium units, which are located in Makati with a total floor area of 888 square meters, are being leased out to third parties.

#### **Note 7 - Borrowings**

Borrowings at Sept 30 and December 31 consist of unsecured short-term interest-bearing loans obtained from the following:

	Sept 30, 2015	Dec 31, 2014
Asia Development Capital Co., Ltd.	294,129,197	279,570,021
Intrinsic Value Management Ltd. (Phils.) Co., a related party	13,624,642	28,744,500
Philippine Strategic Internat'l Holdings, Inc., a related party	450,000	13,624,642
Others	30,276,500	450,000
	<b>338,480,339</b>	<b>322,389,163</b>

#### **Note 8 - Accounts payable and other liabilities**

The account at Sept 30 and December 31 consists of:

	Note	Sept 30, 2015	Dec 31, 2014
Accounts payable and accrued expenses		34,717,047	53,468,242
Provisions	20	47,770,052	47,770,052
Others		5,980,499	5,527,721
		<b>88,467,598</b>	<b>106,766,015</b>

Accrued expenses represent accruals for professional fees, utilities and other recurring expenses. Provisions pertain to liabilities related to guarantees arising from acquisition of an asset of a previous related party which is currently under legal proceedings.

#### **Note 9 - Deposits for future share subscriptions**

In 1997, the Group received from certain shareholders deposits on future stock subscriptions amounting to P241.62 million. Movements of P46.93 million in 2008 pertain to cancellation of subscription with the amount previously received as deposits applied against the Group's advances to concerned shareholders. There were no movements in the account since 2009.

It is the intention of the shareholders that these balances represent deposits for future capital subscription. However, the plan of the Company's management has been put on hold and such has been presented as liability only for the purpose of complying with Financial Reporting Bulletin No. 6 issued by SEC. The management considers issuing equities upon development of concrete plans on the improvement of the operations of the Company.

#### **Note 10 - Equity**

##### *(a) Share capital*

Share capital at Sept 30, 2015 and December 31, 2014 consists of:

Common shares – P1 par value	
Authorized	4,000,000,000
Subscribed and issued	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053
Treasury shares	(58,627,864)
	<b>916,906,189</b>

*(b) Treasury shares*

Treasury shares represent investment of MAC, a subsidiary, to the Parent Company's shares.

**Note 11 - Operating expenses**

Other operating expenses for the period ended Sept 30, 2015 and 2014 consist of:

	Sept 30, 2015	Sept 30, 2014
Taxes and licenses	923,419	937,050
Transportation and travel	832,335	907,877
Communication, light and water	465,909	625,096
Representation and entertainment	-	42,538
Other fees	268,623	234,669
Miscellaneous	2,290,093	1,441,325
	<u>4,780,379</u>	<u>4,188,555</u>

**Note 12 - Basic and diluted earnings per share**

The computation of basic earnings per share for the period ended June 30 and December 31 follows:

	2015	2014
Net income (loss) attributable to the equity holders of Parent Co.	(36,418,158)	47,727,432
Divided by the average no. of outstanding common shares	975,534,053	975,534,043
Basic (loss) earnings per share	(.0373)	0.04892

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

**Note 13 - Related party transactions**

The Group's transactions with related parties include those with associates and other related parties described below:

a) Due from related parties

Details of the account at Sept 30 and December 31 follow:

	Sept 30, 2015	Dec 31, 2014
Intrinsic Value Management Ltd. (Phils.) Co., Inc. ("IVM")	171,602	159,760
IRC Properties, Inc.	1,632,220	212,472
Phil. Strategic	288,976	234,892
South China Sea Holdings Corporation	286,174	233,004
	<u>2,378,972</u>	<u>840,128</u>

Other outstanding receivables from related parties are presented as Due from related parties under Notes and other receivables account in the statements of financial position (see Note 8).

b) Due to related parties

This account is composed of advances from the following related parties which were obtained for working capital purposes:

	Sept 30, 2015	Dec 31, 2014
IVM	9,109,210	8,831,982
Others	85,706	85,706
	9,194,916	8,917,688

The above advances are non-interest bearing and are payable on demand thus, considered current.

#### **Note 14 - Leases**

In 2009, the Company occupied a portion of its investment in condominium units and converted it into an office space. The portion which is owner-occupied is properly reclassified as property and equipment (Notes 5 and 6). The remaining portion is leased to other parties.

#### **Note 15 - Salaries and employee benefits**

The balance of employee benefits at June 30 consists of:

	Sept 30, 2015	Sept 30, 2014
Salaries and wages	2,087,710	1,844,740
SSS, Philhealth and HDMF	100,783	89,262
Others	499,708	381,108
	2,688,201	2,315,110

#### **Note 16- Gain (loss) on disposal of assets**

The account includes gains (losses) resulting from the sale of the following assets:

	Notes	Sept 30, 2015	Sept 30, 2014
Investment in associates	4	59,693	1,782,073
		59,693	1,782,073

#### **Note 17 - General information**

Mabuhay Holdings Corporation (the Company or Parent Company) was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition of and disposal of investments in marketable securities, shares of stock and real estate properties. The Parent Company is 20.05% owned by Prokey Investments Limited, a 100% Filipino-owned company registered in the British Virgin Islands and licensed by the Securities and Exchange Commission (SEC) on March 15, 2011 to operate a representative office in the Philippines. The remaining 79.95% is owned by various individuals and corporations. The Parent Company's common shares were listed in the Philippine Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto.

The Company and its subsidiaries (the Group) have no significant commercial operations as at December 31, 2014 and 2013. The subsidiaries' operations consist mainly of preservation and maintenance of existing investment properties (Note 2.2).

The Company's main focus is to support the ongoing property developments of its large associate, Interport Resources Corporation (IRC), in relation to the latter's agreement with a third party for the development of a portion of its property in Binangonan, Rizal. IRC owns more than 2,000 hectares of land in Binangonan, Rizal. In 2010, IRC generated P399 million through its stock rights offering.

As at December 31, 2014, IRC is actively pursuing negotiations with Wedgemore Property, a subsidiary of Ayala Land Inc., to develop a portion of its Binangonan property. To date, a total of 164.7 hectares are ready for immediate development.

The Company's registered office and principal place of business of the Company is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Company has 7 and 8 employees as at September 30, 2015 and December 31, 2014.

## **ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The Group's main focus is to support the projects of its large associate, IRC Properties, Inc. (IRC). IRC has three ongoing real estate projects: three (3) residential subdivisions (Sunshine Fiesta, Fiesta Casitas and Casas Aurora). These projects of IRC are expected to generate significant amount of sustainable income stream and operating cash flows to the Group.

The management of the Company has plans to sell some assets and pursue the development of its investment properties as well as the real properties of its subsidiaries and affiliated companies and to enter into joint ventures if opportune.

The Group'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. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group'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. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group's main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain. Apart from extending loans to IRC Properties, Inc. for its land clearing costs, the Group does not anticipate heavy requirement for working capital in 2015.

As at December 31, 2014, IRC is actively pursuing negotiations with a key real estate industry player to develop a huge portion of its Binangonan property, whether pursuant to a purchase or joint venture, into a mixed-use township project. The on-going negotiations for a possible seven-year project divided into three phases are expected to be completed at year-end. This prospective development project is expected to be a large scale development which will substantially increase the value of IRC's vast property. To date, a total of 165 hectares are ready for immediate development.

### **Explanation to Accounts with Material Variance (Sept 2015 vs. December 2014)**

#### **Cash**

Increase of P1.8M or 12% mainly due to receipt of interest payments of IRC Properties, Inc.

#### **Financial assets at fair value through profit or loss**

Decrease of P.38M or 18% due to decrease in fair value of securities.

#### **Notes and other receivables**

Decrease of P67.2M or 15.3% mainly due to receipt of interest payments of IRC Properties, Inc.

#### **Prepayments**

Increase of P.25M or 14.1% mainly due to increase in Prepaid income tax.

#### **Property and equipment, net**

Decrease of P1.25M or 21% mainly due to depreciation.

#### **Borrowings**

Increase of P16.09M or 5% due to foreign exchange adjustments.

#### **Accounts payable and other liabilities**

Decrease of P18.3M or 17% largely due to payment of accrued interest offsetted by foreign exchange adjustments.

#### **Due to related parties**

Increase of P.47M or 5% due to increase in payable to IVM.

## Results of Financial Operations

A comparative review of the Registrant's financial operations for the quarter ended Sept 30, 2015 vis-à-vis the same period last year showed the following:

Total revenues increased by P.03M or 2% due to increase in rental rates. Total operating expenses increased by P.67M or 26% due to the increase in Salaries and employee benefits, Professional fees, and Other operating expenses. Total Other expenses increased by P18.5M or 161% mainly due to the penalties imposed by foreign creditors on late payment of interest charges and sharp fluctuation in foreign exchange rates offsetted by the share in net earnings of IRC Properties, Inc.

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

The Company does not have any material commitment for capital expenditures, in the short-term, apart from supporting the clearing costs of IRC Properties, Inc. 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 marketable securities. In the event that the Company will be required to settle its liabilities to third parties, it can do so by selling its listed securities and calling for payment its notes and accounts receivable.

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.

## ITEM 3 - KEY PERFORMANCE INDICATORS

The Company's key performance indicators are the following:

(In Percentage)

	<u>Sept 30, 2015</u>	<u>Dec. 31, 2014</u>
Net profit (loss) ratio	-nil-	895.8
Return on assets	-nil-	4.47
Return on equity	-nil-	7.37
Current ratio	62.57	72.67
Acid test	3.01	2.78
Debt to equity	67.45	65.06
Debt to assets	40.28	39.41
Asset to equity	167.45	165.06
Interest coverage	(6.74)	295.15
Earnings (loss) per share	(.0294)	.0489

Notes:

- 1.) Net profit ratio is computed by getting the ratio of Consolidated Net Income (Loss) to Total Revenues.
- 2.) Return on assets is derived at by dividing Net income by Total Assets.
- 3.) Return on Equity is arrived at by dividing Net income by Total Stockholders' equity.
- 4.) Current Ratio is expressed as Current Assets : Current Liabilities.
- 5.) Acid Test Ratio is expressed as total of Cash on hand and in banks + Financial assets at fair value : Current Liabilities.
- 6.) Debt to equity is computed by dividing Total liabilities by Total stockholders' equity.
- 7.) Debt to assets is expressed as Total liabilities: Total assets
- 8.) Asset to equity is computed by dividing Total assets over Total stockholders' equity.
- 9.) Interest coverage is arrived at by dividing Operating income by Interest expense.
- 10.) Earnings (loss) per share is arrived at by dividing the Net Income (Loss) attributable to equity holders of Parent Co. over the average no. of outstanding common shares.



## **PART II – OTHER INFORMATION**

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

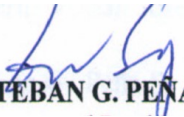
Notes required to be disclosed but are not applicable to the Registrant are indicated below:

- 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

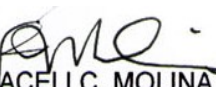
## **SIGNATURES**

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.

**MABUHAY HOLDINGS CORPORATION**  
Issuer



**ESTEBAN G. PEÑA SY**  
*President*  
Date: November 10, 2015



**ARACELI C. MOLINA**  
*Treasurer & Chief Financial Officer*  
Date: November 10, 2015